

# **Northern Ireland Courts and Tribunals Service**

## **ANNUAL REPORT AND ACCOUNTS 2023-24**



---

# Northern Ireland Courts and Tribunals Service

## Annual Report and Accounts 2023-24 For the year ended 31 March 2024

Laid before the Northern Ireland Assembly under  
Section 11(3)(c) of the Government Resources  
and Accounts Act (Northern Ireland) 2001  
by the Department of Justice

on

05 July 2024

---



© Crown Copyright 2024

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence visit:

[www.nationalarchives.gov.uk/doc/open-government-licence/version/3/](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/).

Where we have identified any third party copyright information, you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.justice-ni.gov.uk/publications/nicts-annual-report-and-accounts](http://www.justice-ni.gov.uk/publications/nicts-annual-report-and-accounts)

Any enquiries regarding this document should be sent to us at:

Northern Ireland Courts and Tribunals Service  
Laganside House  
23-27 Oxford Street  
Belfast  
BT1 3LA

**CONTENTS**

	<b>Page</b>
<b><u>PART 1 - PERFORMANCE REPORT</u></b>	
Overview	1
Performance Summary and Analysis	6
<b><u>PART 2 - ACCOUNTABILITY REPORT</u></b>	
Corporate Governance Report	
• Director's Report	31
• Statement of Accounting Officer's Responsibilities	35
• Non-Executive Members' Report	36
• Governance Statement	38
Remuneration and Staff Report	48
Assembly Accountability and Audit Report	
• Other Accountability Disclosures	69
• Certificate and Report of the Comptroller and Auditor General	71
<b><u>PART 3 - FINANCIAL STATEMENTS</u></b>	
Statement of Comprehensive Net Expenditure	76
Statement of Financial Position	77
Statement of Cash Flows	78
Statement of Changes in Taxpayers' Equity	79
Notes to the Accounts	80
<b><u>PART 4 - APPENDICES</u></b>	
Annex A - Organisational Chart	120
Annex B - Court and Tribunal Performance Standards	121
Appendix 1 - Acronyms	132

## **PART 1 - PERFORMANCE REPORT**

### **OVERVIEW**

The purpose of the overview is to provide sufficient information to ensure that the remit and purpose of the Northern Ireland Courts and Tribunals Service (NICTS) is understood. This includes:

- a statement from the Director of NICTS providing his perspective on the performance of NICTS over the period;
- a statement of the purpose and activities of NICTS;
- the key issues and risks that could affect NICTS in delivering its objectives; and
- a performance summary.

### **FOREWORD BY THE DIRECTOR OF NICTS**

I am pleased to introduce the NICTS Annual Report and Accounts for 2023-24.

Each year, the commitment, professionalism and dedication of our staff, working across a range of business areas, helps support and deliver frontline services on a daily basis. NICTS supports thousands of service users and stakeholders across Northern Ireland each year, often in complex and challenging circumstances.

I trust that this Annual Report gives a sense of the breadth of the work we undertake and the services we deliver and I would like to take this opportunity to formally record my thanks to staff across NICTS for their work. Recognising the importance of our staff, our five-year People Strategy 2022-27 remains at the heart of our commitment to support and develop the entire NICTS team.

As we look ahead, we continue to face a range of challenges, including a difficult budgetary environment. However, we will also seek to continue to modernise court and tribunal services, building the work of our 'Vision 2030' Portfolio.

Delivering our objectives is very much a collaborative effort and I would like to thank the judiciary and our many partner organisations and stakeholders for their support.

**Glyn Capper**  
**Director, NICTS**



## STATEMENT OF PURPOSE AND ACTIVITIES

This is the Annual Report and Accounts for NICTS for the financial year ended 31 March 2024. These financial statements have been prepared in accordance with directions given by the Department of Finance (DoF) in pursuance of the Government Resources and Accounts Act (Northern Ireland) 2001.

### Who we are

NICTS is an Executive Agency of the Department of Justice (DoJ) in Northern Ireland, accountable to the Northern Assembly through the Minister for Justice. The Department operated without a Minister until the Northern Ireland Assembly was restored on 3 February 2024, with Naomi Long reappointed as Minister for Justice. The *Northern Ireland (Executive Formation etc) Act 2022* has provided a framework for progressing decisions in the absence of a Minister until 2 February 2024, which enabled some of the work of the Justice Department to continue during this reporting period.

The role of NICTS includes:

- **supporting:**
  - an independent Judiciary;
  - Northern Ireland's courts;
  - the majority of Northern Ireland's tribunals;
  - the Coroners' Service for Northern Ireland (CSNI); and
  - the delivery of legacy inquests through the Legacy Inquest Unit (LIU).
- **enforcing** civil court judgments through the Enforcement of Judgments Office (EJO);
- **collecting and enforcing** outstanding financial penalties imposed (or registered) by a criminal court through the Fine Collection and Enforcement Service (FCS);
- **managing** funds held in court on behalf of minors and patients; and
- **advising** the DoJ and Minister of Justice on matters relating to the operation of NICTS.

NICTS also:

- provides **administrative support** to:
  - the Parole Commissioners for Northern Ireland (PCNI); and
  - the Historical Institutional Abuse (HIA) Redress Board.
- **sponsors** the Planning Appeals Commission and Water Appeals Commission (PACWAC).

An overview of the work of the Agency is provided below:



## NICTS at a Glance

based on the 2023-24 financial year



We have over **900** members of staff.



We support a judicial complement of over **70** salaried and **600** fee paid judicial office holders.



We supported over **76,000** criminal, civil and family court cases.



We supported over **7,900** tribunal cases.



We supported **20** legacy inquest hearings.



Coroners Service dealt with **5,481** deaths and supported **50** inquests.



We are transforming our services: **14** are now available online.



**67** courtrooms have been digitally enabled for remote and hybrid hearings.



Over **334,000** audio or video connections were made for remote and hybrid court and tribunal hearings.



Our total resource expenditure was **£108m**.



We received **£37m** in fees and income.



We operate **24** properties with an asset value of **£231m**.



We managed **£351m** of funds held in court.



We collected **£12m** of fines.



We manage contracts with a combined value of over **£207m**.



The Enforcement of Judgments Office enabled the recovery of **£5m** of debt and **276** properties.



We made over **776** compensation payments totalling **£20m** to victims of historical institutional abuse on behalf of the HIA Redress Board.

### Corporate aims and values

Our three corporate aims are “Working in Partnership; Supporting the Judiciary; and Improving Courts and Tribunals”.

All of our work is underpinned by the Northern Ireland Civil Service (NICS) values of:

**Integrity** - putting the obligations of public service above your own personal interests;

**Honesty** - being truthful and open;

**Objectivity** - basing our advice and decisions on rigorous analysis of the evidence; and

**Impartiality** - acting solely according to the merits of the case and serving equally well Ministers of different political persuasions.

### How we are structured

The Agency Framework Document sets out the arrangements for the effective governance, financing and operation of NICTS and is available on the NICTS website at [www.justice-ni.gov.uk/courts-and-tribunals](http://www.justice-ni.gov.uk/courts-and-tribunals).

## Shared Services

The Agency makes use of a number of Departmental and NICS centralised functions including:

- Human Resources - Northern Ireland Civil Service Human Resources (NICSHR)<sup>1</sup> and HR Connect;
- Procurement - Construction and Procurement Delivery (CPD);
- IT services - IT Assist (for PCs and Network Services) and NI Direct (for call handling and citizen facing services);
- Finance functions - Account NI;
- Management information - DoJ Analytical Support Group (ASG);
- Legal services - Departmental Solicitor's Office (DSO); and
- Internal Audit Services - NICS Group Internal Audit and Fraud Investigation Services within DoF incorporates the DoJ Internal Audit team.

## Working with partners

Courts and tribunals are an important component of the justice system in Northern Ireland; the Agency works with a wide range of partners and other justice system stakeholders. These include:

- The Lady Chief Justice's Office (LCJO);
- The Law Society of Northern Ireland;
- The Bar of Northern Ireland;
- Guardian Ad Litem Agency;
- The Public Prosecution Service (PPS) for Northern Ireland;
- The Police Service of Northern Ireland (PSNI); and
- Voluntary sector organisations.

The Agency's relationships with stakeholders and providers are central to its work.

## Support for the Northern Ireland Judiciary

NICTS is responsible for providing administrative support to the Northern Ireland Judiciary. There are 75 salaried judicial office holders, 74 deputy court judicial officers, 101 Lay Magistrates, 42 Parole Commissioners, 18 PACWAC Commissioners and 379 tribunal members.

---

<sup>1</sup> NICSHR is the NICS' centralised human resources function. It falls under the responsibility of the DoF



## Principal Risks and Uncertainties

NICTS has well-established governance structures that include the identification and mitigation of risks within a formal risk management process. A risk management review is commissioned each quarter across all areas of the Agency and a Corporate Risk Register is maintained reflecting the Departmental format and scoring methodology. The Corporate Risk Register is reviewed each quarter by the Senior Management Team and is presented to the Audit and Risk Assurance Committee (ARAC). Each risk is pro-actively managed with controls and countermeasures agreed, with a view to minimising impact on the objectives of the Agency.

Strategic risks are regularly reviewed and scrutinised by the Agency Board and ARAC. A summary of the organisation's key risks identified in 2023-24 include:

- resources (staffing and budget);
- business recovery;
- degradation of the court estate;
- records and information management; and
- insufficient financial resource to modernise.

## 2023-24 PERFORMANCE SUMMARY

### Agency Business Plan

The 2023-24 NICTS Business Plan was approved by the Agency Board in May 2023. As noted in the Business Plan, the Agency is committed to supporting DoJ in delivering the Executive's strategic objectives. The plan also reflected the key priorities and what could realistically be achieved in the context of a budget not being agreed in the absence of an Executive.

The Business Plan sets out Business Objectives to measure the Service's performance. The NICTS three corporate aims are supported by four key themes:

- Working in partnership, deliver efficient and effective court, tribunal and enforcement services and support an independent Judiciary;
- Develop and lead our people to achieve our business objectives;
- Develop improved court, tribunal, and enforcement services that meet the needs of our stakeholders; and
- Deliver effective corporate governance, finance and procurement arrangements.

The four themes were translated into actions for delivery across the organisational business areas. The tables in the Performance Analysis section summarise the key activities and priorities as noted in the Business Plan including a statement on the year end position.

### Forward look

As always, supporting and developing our staff is a priority and during 2024-25 we will take forward our People Strategy Year Two Delivery Plan. This year, as part of the Strategy, we will launch our first bespoke recruitment campaign for Court Clerks.

Working in partnership to deliver efficient and effective court, tribunal and enforcement services remains a key objective and we will also continue to deliver our 'Vision 2030' Portfolio to modernise courts and tribunals services.

Our Estates Modernisation Programme has undertaken widespread engagement with stakeholders to develop our Estate Strategy. This will be used to establish asset management plans and to inform future investment requirements to achieve our aims of: Improved User Experience; Improved Resilience; Improved Value for Money; and Improved Sustainability.

Our Service Modernisation Programme has established a flagship business transformation project known as Themis. This will enable wholesale transformation of services and administrative processes across NICTS and will be critical to driving efficiencies and improving service outcomes.

The full range of objectives and targets for the incoming business period are published in the NICTS Business Plan available at: [Northern Ireland Courts and Tribunals Service - Business Plan | Department of Justice \(justice-ni.gov.uk\)](#).

## PERFORMANCE ANALYSIS

### Performance against Business Plan for 2023-24

As previously noted, the Business Plan for 2023-24 set out Strategic Objectives to measure the Agency's performance.

More detail on how NICTS performed against our four themes is set out in the following tables, including a statement on the year-end position:

### 2023-24 Strategic Objectives and Actions

Strategic Objective 1 – Working in partnership, deliver efficient and effective court, tribunal and enforcement services and support an independent Judiciary.		
Ref	Objective	Position at 31 March 2024
1.1	<p>Support the judiciary, courts, tribunals and enforcement services by:</p> <ul style="list-style-type: none"> <li>ensuring the availability of appropriately trained staff for each business area; and</li> <li>maximising the availability of appropriate court and hearing venues and infrastructure to support digital hearings;</li> </ul> <p>in line with the Victim Charter; NICTS performance standards; public health guidance; and available resources.</p>	<p><b>Achieved</b></p> <p>While there were a number of vacancies throughout the year, Court Operations staff provided support to the scheduled and additional recovery courts. Crown Courts returned to Downpatrick and Londonderry in year.</p> <p>An EO1 Court Clerk external recruitment exercise is progressing, and it is expected to launch in Quarter one of 2024-25.</p> <p>A Court Operations Guidance and Training Forum was established.</p>
1.2	<p>Work in partnership with stakeholders to support recovery of the justice system, taking account of available resources.</p>	<p><b>Achieved</b></p> <p>Additional Crown Courts and Magistrate Contest Courts were facilitated.</p>
1.3	<p>Support delivery of justice reform initiatives including:</p> <ul style="list-style-type: none"> <li>committal reform;</li> <li>bail and remand reform;</li> <li>speeding up justice;</li> <li>reviewing the remit of the magistrates' court; and</li> <li>implementation of Gillen review recommendations.</li> </ul>	<p><b>Achieved</b></p> <p>Court Operations provided appropriate support to the Department for several justice reform initiatives.</p> <p>The findings of a scoping exercise and recommendations in relation to the remit of the magistrates' court were presented to Criminal Justice Board in March 2024.</p>

**Strategic Objective 1 – Working in partnership, deliver efficient and effective court, tribunal and enforcement services and support an independent Judiciary.**

Ref	Objective	Position at 31 March 2024
1.4	Support the delivery of the scheduled legacy inquest caseload for 2023-24.	<p><b>Achieved</b></p> <p>In 2023-24 findings were delivered in one Year 1 inquest that had concluded in the previous year. Seven more inquests commenced hearing evidence in 2023-24, these related to one Year 1 inquest, one Year 2 inquest and five Year 3 inquests. At the end of 2023-24, a total of eighteen inquests were at various stages of hearing evidence. The following inquests have yet to commence the hearing of evidence: one Year 1 inquest and two Year 3 inquests.</p>

**Strategic Objective 2 – Develop and lead our people to achieve our business objectives.**

Ref	Objective	Position at 31 March 2024
2.1	Deliver the NICTS People Strategy Year 1 (2023-24) Delivery Plan under the pillars of: <ul style="list-style-type: none"> <li>• Skills;</li> <li>• Leadership;</li> <li>• Engagement;</li> <li>• Wellbeing; and</li> <li>• Resources.</li> </ul>	<p><b>Achieved</b></p> <p>A Court Operations Guidance and Training Forum was established in November 2023. The Forum, which meets quarterly, is designed to ensure that all Court Operations staff have the knowledge, skills, and resources they need to deliver business needs.</p> <p>The NICTS Wellbeing Framework and Hub were launched in summer 2023.</p> <p>Five “Welcome to NICTS” sessions, led by members of the Senior Management Team took place. Sessions will continue to be held on a quarterly basis. To further enhance the induction process, a "NICTS Induction Checklist" was launched in September 2023. As noted above, an EO1 Court Clerk external recruitment exercise is progressing, and it is expected to launch in the first quarter of 2024-25.</p>
2.2	Develop the NICTS People Strategy Year 2 (2024-25) Delivery Plan.	<p><b>Achieved</b></p> <p>A People Strategy Year Two (2024-25) Delivery Plan, containing 10 practical actions to enhance induction, increase opportunities for learning and development, improve how we</p>

### Strategic Objective 2 – Develop and lead our people to achieve our business objectives.

Ref	Objective	Position at 31 March 2024
		communicate, support wellbeing, and help secure the resources we need to deliver our strategic objectives was developed.

### Strategic Objective 3 – Develop improved court, tribunal and enforcement services that meet the needs of our stakeholders.

Ref	Objective	Position at 31 March 2024
3.1	Complete the competitive dialogue procurement process to the receipt of final tenders stage for Themis (the new NICTS digital system and web portal).	<p><b>Achieved</b></p> <p>Competitive dialogue completed in February 2024 and supplier final tender submissions were received on 3 April 2024. Contract award remains on schedule for August 2024.</p>
3.2	Deliver the agreed programme of digital and service design projects included in the Vision 2030 Delivery Plan for 2023-24.	<p><b>Achieved</b></p> <p>New case management system for Official Solicitors Office (OSO)/Office of Care and Protection (OCP) went live in September 2023.</p> <p>New case management system and portal for PCNI went live in September 2023.</p> <p>Judicial Portal went live in December 2023 and Judicial App in February 2024.</p> <p>Courtroom Technology – 67 of 69 courtrooms now complete (3 completed in 2023-24). The remaining 2 courtrooms are scheduled for completion in summer 2024.</p> <p>Jury Management - Year 1 action plan remains on schedule. Residual improvement activities will be delivered through Themis.</p> <p>Replacement of Sightlink - scoping work has commenced to inform specification requirements for a new video conferencing solution for hybrid and remote court and tribunal hearings.</p> <p>Enduring Powers of Attorney Discovery - work on this project was placed on hold due to resource constraints. The report is scheduled to be presented to the Programme Board September 2024.</p>



### Strategic Objective 3 – Develop improved court, tribunal and enforcement services that meet the needs of our stakeholders.

Ref	Objective	Position at 31 March 2024
3.3	Undertake stakeholder engagement to finalise the NICTS Estate Strategy.	<b>Achieved</b> Estate Strategy Advisory Group (ESAG) has continued to meet regularly. The NICTS Estate Strategy was published Dec 2023.
3.4	Complete an Outline Business Case for the Royal Courts of Justice (RCJ) infrastructure upgrade project.	<b>Achieved</b> The Outline Business Case for the Modernisation of the RCJ has been completed.
3.5	Confirm the strategic direction for North West Accommodation.	<b>Achieved</b> Strategic Outline Case Addendum was approved in September 2023 and work is progressing on the procurement of an Integrated Consultancy Team.
3.6	Monitor estates related greenhouse gas emissions and deliver an agreed programme of interventions to reduce carbon emissions and improve energy efficiency and environmental sustainability.	<b>Achieved</b> NICTS has achieved continued carbon reductions through a combination of demand shedding interventions and capital projects. In addition, all greenhouse gas emissions arising from the estate have been regularly monitored and reported to DoJ.

### Strategic Objective 4 – Deliver effective corporate governance, finance, and procurement arrangements.

Ref	Objective	Position at 31 March 2024
4.1	Ensure the effective use of the Agency's budget to maximise efficiency and effectiveness.	<b>Achieved</b> Financial position monitored throughout the reporting period to ensure underspend kept to a minimum.
4.2	Ensure effective and appropriate corporate governance processes are adhered to across the Agency including appraisal and evaluation of expenditure, procurement of goods and services, contract management and statutory compliance.	<b>Achieved</b> Finance Branch continue to review and approve business cases across the Agency, ensuring appropriate challenge, appraisal, and evaluation of all expenditure proposals.

## *Court Operations*

The key focus for the 2023-24 business year continued to be managing the ongoing recovery of court and tribunal business.

While there has been an increase in physical attendance in courts, in accordance with the Guidance of 6 November 2023 issued by the Lady Chief Justice's Office, the ongoing use of remote and hybrid hearings enabled cases to proceed and has proven effective in the use of court time, reducing waiting time, travelling time and costs for many participants.

Work continued to maximise the number of courtrooms available to deliver business and the Downpatrick and Londonderry Crown Courts returned to their home venues having sat in Belfast and Coleraine respectively since September 2020.

Further details on Court Operations' performance can be found at Annex B.

## *Tribunals and Enforcement Division*

### *Tribunal Business*

The Tribunals Hearing Centre continued to retain remote hearing technology for appellants and accommodated in person hearings as required.

The use of a cloud-based solution was extended to all Tribunals, facilitating the secure digital exchange of information with tribunal panel members and other departments, as well as continuing to realise efficiencies, while ensuring the security of sensitive data.

### *The Appeals Service (TAS)*

Following the restoration of Northern Ireland Assembly on 3 February 2024, work will recommence in 2024-25 on the transfer of The Appeals Service and Rent Assessment Panel (TAS) from the Department for Communities (DfC) to NICTS.

### *Enforcement of Judgments Office (EJO)*

New applications for the recovery of money debts remain at a level comparable to the previous year. Repossession activity is also comparable, with 461 new repossession applications lodged up to March 2024. The number of repossessions completed in the same period was 276. The total debt recovered in the reporting period was £4,667k.

Enforcement action was taken on 6,725 cases, with 4,695 cases being cleared which resulted in an overall reduction in the EJO caseload of 2,235 cases, from 40,640 to closing balance of 38,405 at the year end.

New training processes and material has been produced for new entrants to EJO and Enforcement Officers took part in Personal Safety at work training.

### *Fine Collection and Enforcement Service (FCS)*

In 2023-24 FCS continued to deal with the recovery of outstanding fines in cases that predate June 2018, referred to as 'Legacy 'Cases'. A business case to extend the legacy project until 2027 was approved by DoF in March 2024. From April 2023 to March 2024, FCS recovered a total of £4,090k in fines.

The Fine Incentive Scheme (FIS) agreed with HM Treasury allows for the retention of monies collected up to a maximum of £1m per annum for reinvestment in the Agency. FCS reached the £1m maximum threshold in February 2024.

In 2023-24 the number of collection orders activated in FCS remained broadly similar to the previous reporting year, increasing by 1.2% from 24,323 to 24,609 orders.

### *Vision 2030*

The Vision 2030 team successfully progressed and completed a number of projects across both the Service Modernisation Programme and the Estates Modernisation Programme during 2023-24.

### *Service Modernisation Programme*

The Themis Project is NICTS' flagship business transformation and digital project for the delivery of the strategic objectives set out in the NICTS Digital Strategy. The project aims to procure a delivery partner to deliver business transformation, deliver a new operating model and implement a new digital solution and web portal for courts and tribunals business that will replace the aging line of business (LoB) systems and online services. Key priorities in 2023-24 included progressing the competitive dialogue procurement which was launched on 27 February 2023. Significant progress has been made with this procurement, the dialogue concluded in February 2024 with the invitation to submit final tenders issuing on 28 February 2024. Subject to evaluation of final tenders, business case approval and funding, the Themis contract is due to be awarded in August 2024, with a five-year phased implementation plan.

A new case management system for OSO and OCP went live in September 2023. Also, in September 2023, a new case management system and upload portal went live for PCNI, which replaced an ageing unsupported system.

The Courtroom Technology project has delivered upgraded audio and video technology in a further three courtrooms, bringing the number of courtrooms upgraded to 67. This technology has facilitated a number of digital justice initiatives such as the display of digital evidence and the use of e-bundles in court. The final two courtrooms will be upgraded in summer 2024.

The contract for a new Judicial Portal and App was awarded in May 2023 to replace the aging judicial intranet site. The new Judicial Portal went live in December 2023, followed in February 2024 with the launch of the Judicial App.

A new project commenced this year to replace the current Sightlink and Webex video conferencing solution used in courts and tribunals. Work has been progressing with staff and stakeholders to define the requirements, with the intention to implement a new video conferencing solution, with enhanced and improved functionality to facilitate remote and hybrid court and tribunal hearings, by early 2025.

A Jury Discovery Report was completed and approved in May 2023 and a Jurors Year 1 Delivery Plan was agreed in September 2023. Work has progressed well on the Delivery Plan with the focus in the current year being on improving the jury notice correspondence and information available to jurors online. More fundamental improvements to the juror's user experience will be delivered through the Themis Project.

Work on a Discovery Report for the Enduring Power of Attorney process had been paused due to resource constraints, although the Discovery Report is expected to be completed and presented to the Programme Board in September 2024.

### *Estates Modernisation Programme*

The NICTS Estate Strategy, 'Making the Place for Justice,' was published in December 2023. The Strategy is structured around four key aims:

- Improved User Experience;
- Improved Resilience;
- Improved Value for Money; and
- Improved Sustainability.

Twelve strategic outcomes have been set within the strategy and if realised, will result in a courts and tribunals estate that is capable of providing modernised and improved facilities for all.

The ESAG continues to meet regularly and there has been ongoing engagement with Ordnance Survey NI (OSNI) to develop an iso-chronic mapping interface. This will serve as a useful tool to objectively assess the impact of any potential changes to the NICTS estate and will provide information to support judicial decisions regarding the allocation of court business.

The Modernisation of the RCJ Outline Business Case (OBC) has now been completed and work has continued on the Modernisation of Bishop Street Courthouse Project. Engagement has been ongoing with DfC Historic Environment Division due to the building being listed and the historical nature of the surrounding area. The focus going forward will be on the procurement of an Integrated Consultancy Team to commence design activities and the preparation of an OBC.

A project board was established with support from the Strategic Investment Board (SIB) to provide oversight and governance in relation to the Laganside Courts Public Finance Initiative (PFI) exit process. Ownership of the building will revert to NICTS on expiry of the contract in 2026. A condition survey has commenced for Laganside Courts which will inform investment proposals for the remaining term.

Several sustainability projects are underway and more detail is set out below.

NICTS continued to manage the health, safety, statutory compliance and physical security of its property portfolio during this period. We have managed 1,338 reactive calls, 1,915 cyclical maintenance tasks and have 60 active planned maintenance projects.

### *Coroners' Service for Northern Ireland (CSNI)*

The number of deaths reported to CSNI during the reporting period has increased considerably in comparison to the previous year. This is largely due to more deaths from natural causes being reported to CSNI under the statutory death certification process. The number of inquests heard is slightly below the average held over the last few years.

### ***Legacy Inquest Unit (LIU)***

The Northern Ireland Troubles (Legacy and Reconciliation) Bill received Royal Assent on 18 September 2023. It states that a Coroner must not progress the conduct of such an inquest into a troubles-related death on or after 1 May 2024. The only exception to this is where the only part of the inquest which remains to be carried out is the final verdict, determination, or findings. The LIU continued to progress the legacy inquests in the five-year plan until the 1 May 2024 deadline.

### ***Reporting on specific issues significantly impacting the department***

The key issue facing NICTS during 2023-24 was the continued recovery of court, tribunal and enforcement business. Further detail on progress is included in the Performance Analysis section above.

### ***Policy Support***

The Agency continued to support the DoJ in a range of reform and policy initiatives, including:

- Counter Terrorism and Sentencing Act 2021 (CTSA);
- Justice (Sexual Offences and Trafficking Victims) Act (NI) 2022;
- Remit of the Magistrates Court; and
- Office of the Public Guardian (NI).

NICTS also continued to work with the DoJ on: the outstanding elements of the Domestic Abuse and Civil Proceedings Act (NI) 2021 and the Committal Reform Act (NI) 2022; Speeding Up Justice initiatives; Criminal Justice Inspection Northern Ireland (CJINI) recommendations around bail and remands; the Review of the Domestic Abuse and Civil Proceedings Act (NI) 2021; Public Accounts Committee recommendations around the recording of adjournments; and Gillen recommendations that strive to make the justice journey as easy as possible for victims and witnesses. The Gillen workstream included working with partners on the Remote Evidence Centre's Task and Finish Group addressing concerns and issues and supporting any necessary changes to the process.



## FINANCIAL REVIEW

### Accounting Boundary

The accounting boundary specifically excludes the funds invested by Court Funds Office (CFO) and third party monies. CFO publishes separate audited financial statements.

Details of income (fines, confiscation orders, fixed penalties and other monetary penalties) collected as an agent for the Northern Ireland Consolidated Fund (NICF) will be disclosed in the NICTS Trust Statement, in accordance with the Accounts Direction Dear Accounting Officer (DAO) (DoF) 01/24. The Trust Statement is published separately from these accounts.

### Budgeting framework

DoF is responsible for management of the Northern Ireland Budget process in line with a budgetary framework set by His Majesty's (HM) Treasury.

The total amount a department spends is referred to as the Total Managed Expenditure (TME); which is split into:

- Annually Managed Expenditure (AME); and
- Departmental Expenditure Limit (DEL).

HM Treasury, and in turn DoF, do not set firm AME budgets. They are volatile or demand-led in a way that departments cannot control. Departments monitor AME forecasts closely and this facilitates reporting to DoF, who in turn report to HM Treasury.

As DEL budgets are understood and controllable, HM Treasury sets firm limits for DEL budgets for Whitehall departments and Devolved Administrations at each Spending Review. The Northern Ireland Executive, based on the advice from the Finance Minister, will in turn agree a local Budget that will set DEL controls for Executive departments. In the event that no Executive is in place, then the Secretary of State for Northern Ireland may act to set the budget for the Northern Ireland departments.

DEL budgets are classified into resource and capital:

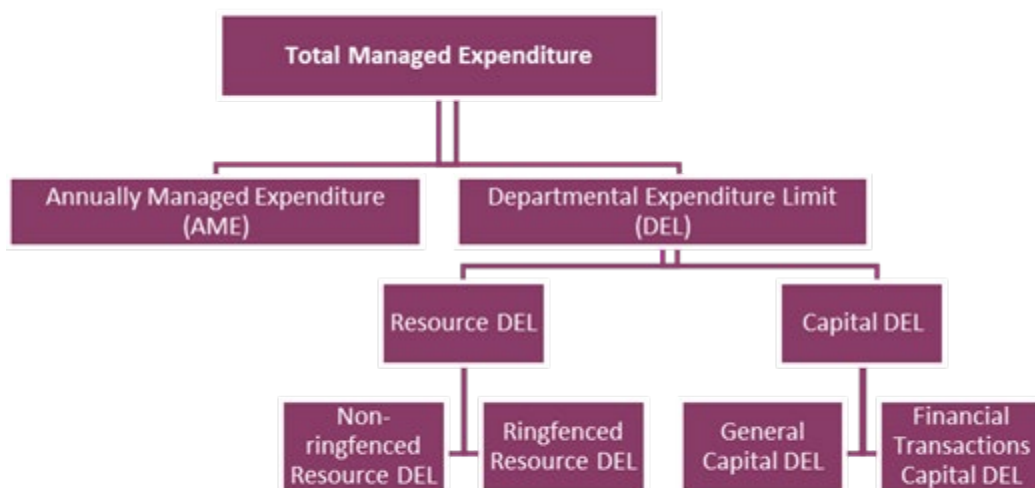
- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and departmental running costs, and separately ringfenced resource that covers non-cash charges for depreciation and impairment of assets; and
- Capital DEL is split into 'Financial Transactions Capital (FTC)' which can only be used for loans or equity investments in private sector organisations; and 'general capital' for spending on the purchase and/or acquisition of assets.

Further detail on the Budgeting Framework can be found in the Consolidated Budgeting Guidance published by HM Treasury:

[Consolidated budgeting guidance 2023 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/115222/consolidated-budgeting-guidance-2023-to-2024.pdf)

Previously the information contained within budgetary controls did not read directly to financial information presented in Financial Statements due to a number of misalignments. The Executive's Review of Financial Process (RoFP), which was implemented in 2022-23, had helped address these differences and improve transparency. Further information on the Executive's RoFP can be found on the Northern Ireland Assembly website.

## Budget structure



## Budgetary performance

Details of performance against Budgetary Control totals is set out in the table below for 2023-24.

	Provisional Outturn 2023-24 £000	Final Plan 2023-24 £000	Underspend/ (Overspend) £000	%
Non-ringfenced DEL - Income	(36,752)	(38,962)	(2,210)	6%
Non-ringfenced DEL - Expenditure	95,436	97,983	2,547	3%
<b>Total non-ringfenced DEL</b>	<b>58,684</b>	<b>59,021</b>	<b>337</b>	<b>1%</b>
Ringfenced DEL	10,633	10,161	(472)	(5%)
<b>Total Resource DEL</b>	<b>69,317</b>	<b>69,182</b>	<b>(135)</b>	<b>0%</b>
Net Resource AME	375	(84)	(459)	(546%)
Non-Budget Costs	1,446	1,430	(16)	(1%)
<b>Net Expenditure</b>	<b>71,138</b>	<b>70,528</b>	<b>(610)</b>	<b>1%</b>
Net Capital DEL	4,456	4,295	(161)	(4%)
<b>Total Expenditure</b>	<b>75,594</b>	<b>74,823</b>	<b>(771)</b>	<b>1%</b>

The main reasons for the variances are outlined below.

The £228k overspend is due to:

### ***Resource Departmental Expenditure Limit (Resource DEL)***

#### *Non-ringfenced Resource DEL (cash)*

The non-ringfenced resource DEL net underspend of **£337k** (1% of total budget) mainly relates to underspends in staff costs as a result of unfilled vacancies.

#### *Ringfenced Resource DEL (non-cash)*

This is a technical budget that can only be used for costs such as depreciation. The overspend of **£472k** (5% of total budget) was a result of impairment and depreciation being higher than expected due to a number of projects being capitalised throughout the year. This overspend was approved by the Department.

### ***Annually Managed Expenditure (AME)***

The AME overspend of **£459k** (546% of total budget) was due to an increase in the McCloud provision and borrowing costs on the Judicial Service award offset by an easement due to the release of a probate provision that is no longer required given the low number of applications to the scheme.

### ***Non-Budget Costs***

The Non-Budget Costs overspend of **£16k** (1% of total budget) was due to slightly higher than anticipated notional charges in relation to Audit fees.

### ***Capital Departmental Expenditure Limit (Capital DEL)***

#### *Capital DEL*

The Capital overspend of **£161k** (4% of total budget) was due to a pressure in Courtroom Technology of £200k for the purchase of additional equipment, this overspend was approved by the Department. This has been offset by an easement in capitalised staff salaries across the Vision 2030 portfolio.

### ***Accounts framework***

The Annual Report and Accounts ('the Accounts') provides a comprehensive view of the NICTS financial position and performance. The requirement for all NICS departments to produce Accounts is set out in legislation (*Government Resources and Accounts Act (Northern Ireland) 2001*), and every year departments and agencies must prepare a set of Accounts, have them audited by Northern Ireland Audit Office (NIAO) and lay them in the Assembly. The Accounts are prepared in accordance with the Government Financial Reporting Manual (*FReM*) and in line with International Financial Reporting Standards (IFRS).

## Accounts performance

The Net Expenditure for the three most recent financial years is outlined below:

	2023-24	2022-23	2021-22
	£000	£000	£000
<b>Total operating income</b>	<b>(36,752)</b>	<b>(37,895)</b>	<b>(32,669)</b>
Staff costs	36,567	34,588	33,011
Purchase of goods and services	58,063	58,522	53,844
Depreciation and impairment charges	10,615	8,795	8,478
Provision expense	663	(222)	(323)
<b>Total operating expenditure</b>	<b>105,908</b>	<b>101,683</b>	<b>95,010</b>
<b>Net operating expenditure</b>	<b>69,156</b>	<b>63,788</b>	<b>62,341</b>
Finance expense	536	522	593
Notional charges	1,446	1,492	1,562
<b>Net expenditure</b>	<b>71,138</b>	<b>65,802</b>	<b>64,496</b>

Further details of Income and Expenditure are contained in Notes 4, 5 and 6 to the Accounts.

## Non-Current Assets

Non-current asset expenditure movements are detailed in the notes to the financial statements.

Capital additions in 2023-24 totalled £4,458k (2022-23: £6,467k).

Property, plant and equipment (PPE) additions of £1,742k consist of costs incurred in respect of ongoing capital projects at various locations across the Court Estate.

These included costs in respect of hardware for the Courtroom Technology Refresh project, and the Wi-Fi upgrade project to provide connectivity in all courtrooms to facilitate Digital Justice.

Also included are costs in respect of the rolling ventilation energy efficiency upgrade and decarbonisation scheme to convert the Court Estate to gas and replace inefficient oil boilers with more energy efficient gas boilers and automated metering equipment. Costs for the enhancement of CCTV and air conditioning systems and a Disabled Refuge Communications system in RCJ are also included.

There were refurbishment and structural improvements at various locations across the Court Estate including enhancements to the car park and pedestrian lighting at Craigavon Courthouse and the completion of the installation of LED lighting at Antrim and Coleraine Courthouses. Costs were also incurred at Laganside Courts on a photovoltaic system.

Improvements to the infrastructure within the RCJ were carried out as part of an upgrade project as well as costs of modernising Bishop Street Courthouse and fit out costs relating to the relocation of PACWAC's office.

Intangible asset additions of £2,716k were in respect of Integrated Court Operations System (ICOS) and LoB enhancements; the new case management systems for OSO, OCP, PCNI, PACWAC, Tribunals and North West Modernisation (NWM); a new Judicial information Portal and App; the Themis project; upgrades to Building Energy Management Systems (BEMS); and assets under construction in respect of the ongoing modernisation project to improve digital and online service delivery.

## Financial Position

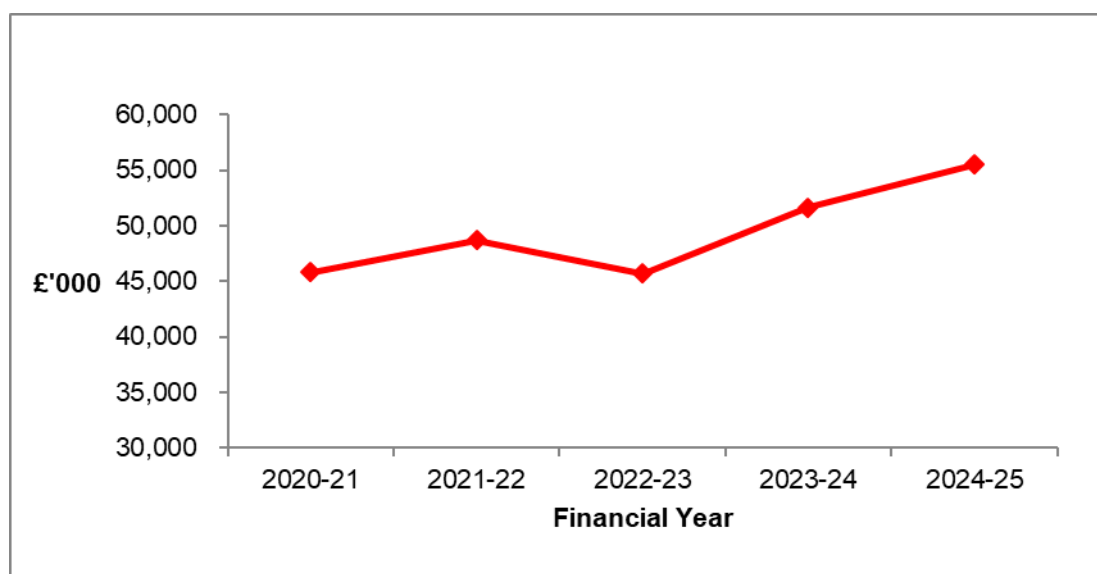
The total net assets of NICTS at 31 March 2024 were £216,707k (2022-23: £199,422k). This is the value of all assets, less the liabilities of NICTS as at the year end.

## Cash Flow

As detailed in the Statement of Cash Flows, the NICTS Net Assembly draw down in 2023-24 was £50,825k (2022-23: £50,782k) and the net decrease in cash and cash equivalents in the year is £199k (2022-23: decrease of £223k).

## Long Term Expenditure Trends

Chart 1 shows the movement in NICTS non-ringfenced Resource DEL opening budget over the period 2020-21 to 2024-25.



### 2020-21 to 2022-23 Financial Year

During the period 2020-21 to 2022-23, NICTS non-ringfenced Resource DEL baseline budget overall decreased from £45,820k to £45,711k. Increases were received during this period for inflationary increases, Legacy inquests and COVID-19 recovery, but COVID-19 recovery was removed in the 2022-23 baseline allocation, as well as part of the EU Exit allocation.

### 2023-24 Financial Year

At the beginning of 2023-24 NICTS was allocated a non-ringfenced Resource DEL indicative budget of £51,662k; a net increase of £5,951k on the 2022-23 opening budget allocation, primarily

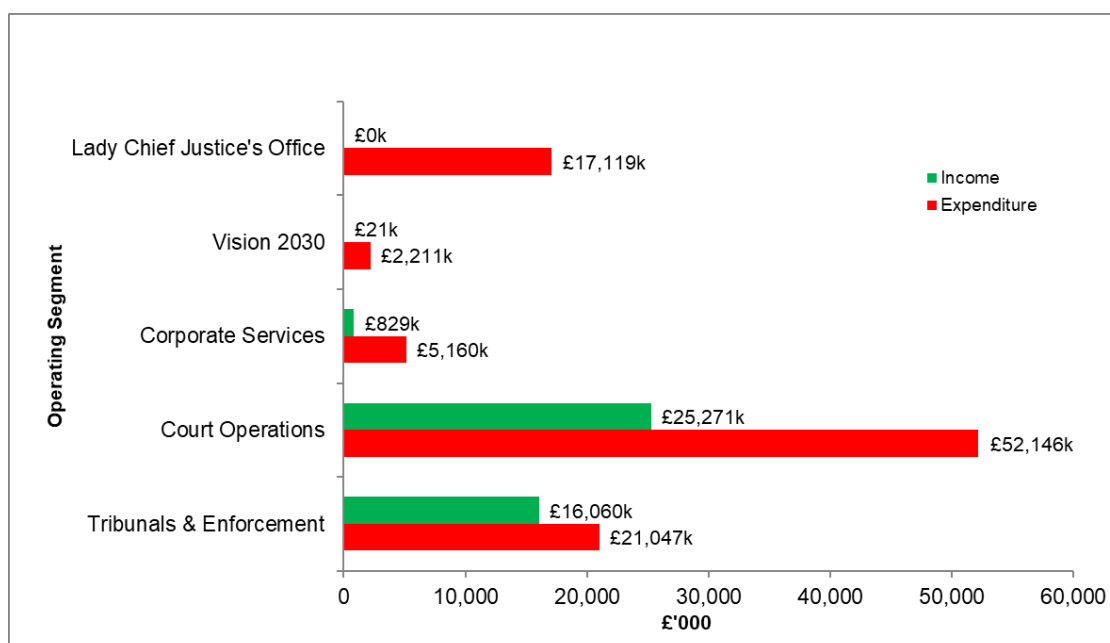


due to COVID-19 recovery funding as well as funding for other pressures, partially offset by a 1.7% overall cut. Throughout the year NICTS received a further £7,359k of in-year allocations to meet inescapable pressures, including those as a result of Legacy Inquests, staff costs and Judiciary costs. This increased the non-ringfenced Resource DEL allocation to £59,021k.

## 2024-25 Financial Year

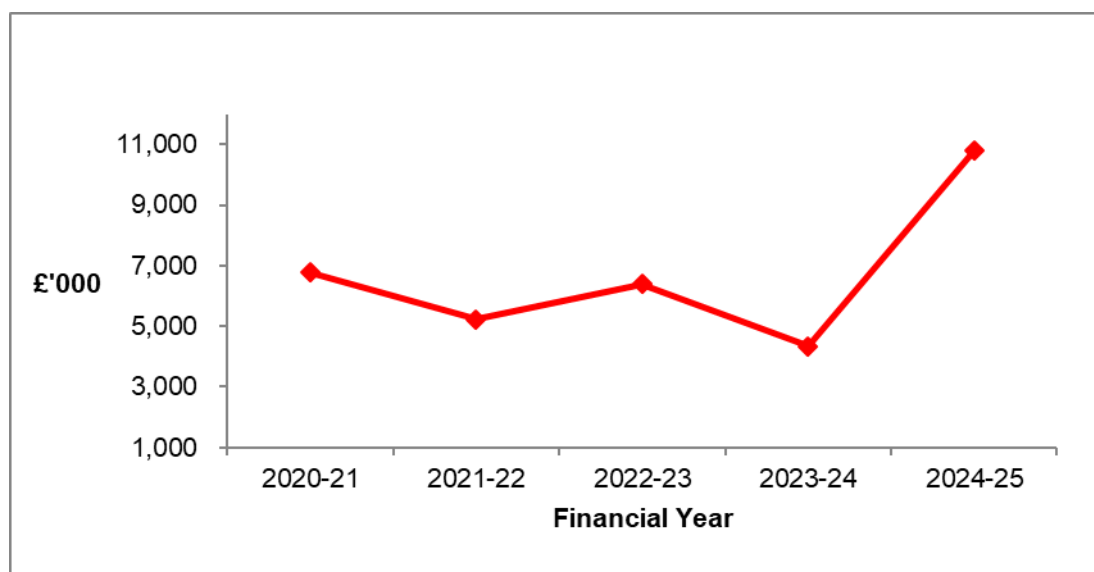
NICTS has received an initial budget allocation of £55,502k for 2024-25. This is a £3,840k increase on the opening allocation for 2023-24 which reflects increasing pressures faced by the Agency relating to pay and inflation. NICTS will, however, still be starting the year with significant pressures in all areas of the budget and a strategy to manage these pressures is currently under development.

Chart 2 shows the 2024-25 non-ringfenced Resource DEL allocation split by the NICTS segments.



## Capital Investment Priorities

Chart 3: NICTS Capital DEL Opening Budget 2020-21 to 2024-25



From 2020-21 to 2023-24, NICTS opening capital allocation fluctuated from £6,780k to £4,342k. The movement reflects the capital priorities in each year, including various Estates capital projects and numerous Digital Services modernisation projects. The allocation for 2024-25 has seen an increase to £10,784k. This is reflective of a number of large, key capital modernisation projects that are anticipated to commence in this financial year.

### Looking Ahead – Budgets beyond 2024-25

Preparatory work for Resource and Capital requirements for 2025-26 and beyond will be taken forward over the coming months and further strategic decisions will need to be made, considering Departmental and Executive priorities, with the aim of having a budget in place as far in advance of the new financial year as possible.

### Auditor

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the *Government Resources and Accounts Act (Northern Ireland) 2001*. The C&AG is head of the NIAO and reports their findings to the Assembly. The C&AG and their staff are wholly independent of NICTS.

The notional audit fee for the work performed by the staff of the C&AG during the reporting period was:

	2023-24	2022-23
	£000	£000
NICTS Annual Report and Accounts	54.0	68.7
Trust Statement	39.8	36.5
Funds in Court	31.2	14.4
NICTS Investment Account	8.5	8.0
<b>Total</b>	<b>133.5</b>	<b>127.6</b>

## Financial Risk

For 2023-24, NICTS relied primarily on DoJ for funding, and therefore the risk to funding is low. All transactions are in sterling and there are no borrowings. As such, NICTS is not exposed to any exchange rate or liquidity risk.

## Payment of suppliers

The NICTS policy is to pay bills from all suppliers within 10 working days following receipt of a properly rendered invoice or in accordance with contractual conditions, whichever is the earlier. During the financial year, NICTS achieved an average of 94% (2022-23: 97%) of invoices paid to suppliers within 10 working days following receipt of a properly rendered invoice. NICTS achieved an average of 98% (2022-23: 99%) of invoices paid to suppliers within 30 calendar days following receipt of a properly rendered invoice.

## Sustainability reporting and environmental issues

### *Legislative Context*

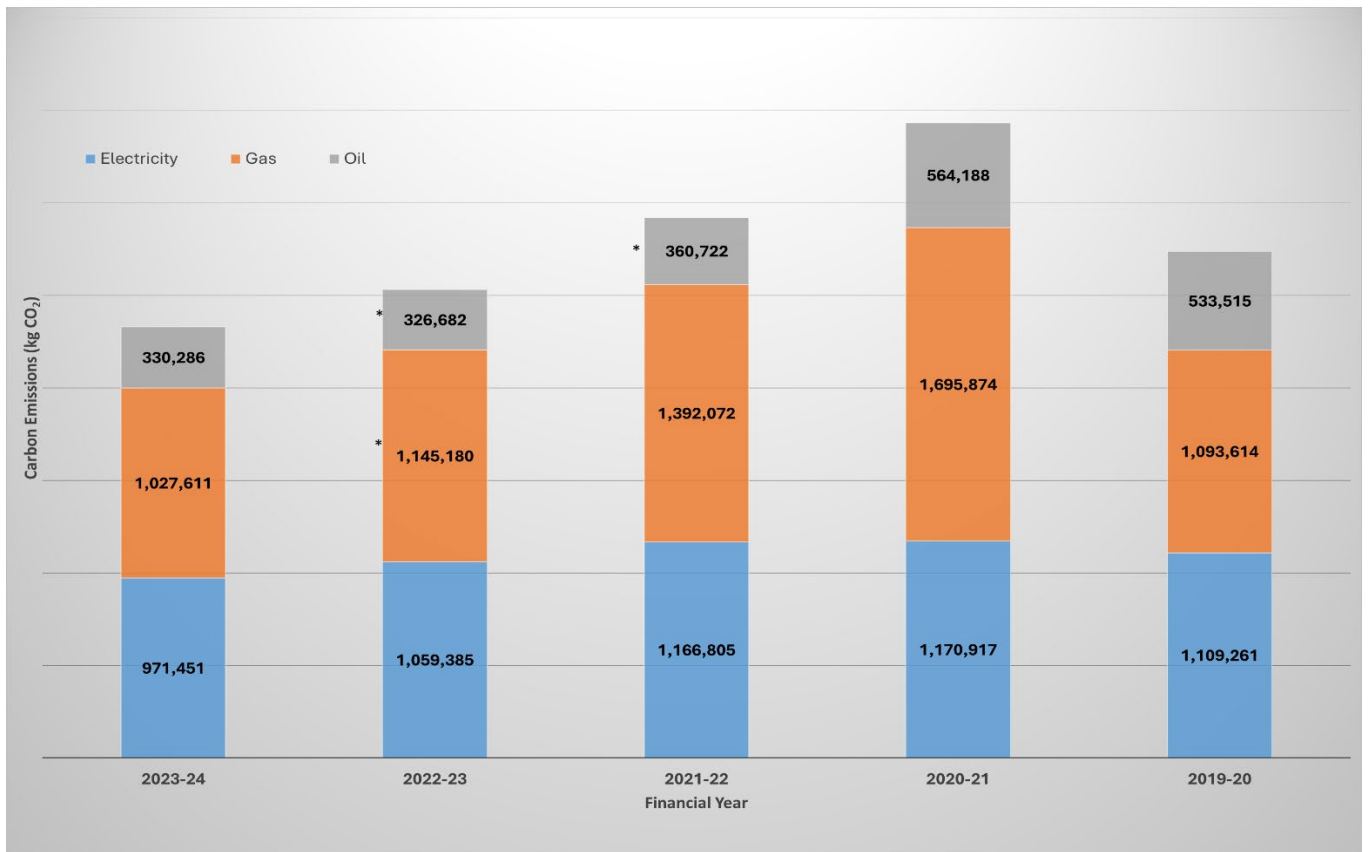
The Climate Change Act (Northern Ireland) 2022 received Royal Assent on 6 June 2022. This was NI's first piece of Climate Change legislation and committed the region to net zero greenhouse gas emissions by 2050. The Department of Agriculture, Environment and Rural Affairs (DAERA) is leading on implementation of the Act through preparation of the NI Climate Action Plan which will set out NI's approach to meeting the first carbon budget for 2023 to 2027.

NICTS has engaged with DAERA through membership of the Evidence and Analysis Group, and in conjunction with DoJ, has submitted policies and proposals to address the impact of its activities on greenhouse gas (GHG) emissions.

### *Fuel Emissions*

NICTS established a carbon baseline for its freehold estate for the year 2019-20, against which emission reduction targets can subsequently be measured. The following chart illustrates recent progress against the 2019-20 baseline position.

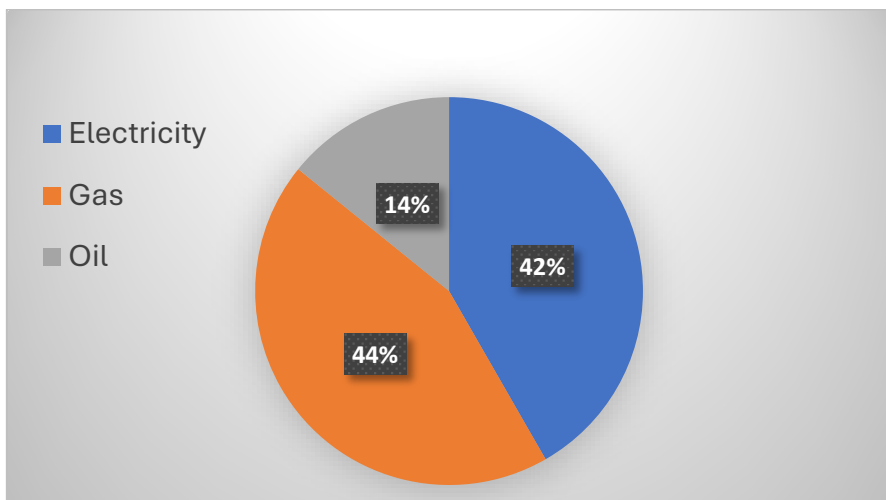
**NICTS Estate Annual Carbon Emission Trend 2019-20 to 2023-24 (kg CO<sub>2</sub>):**



\* Previous emission figures updated to reflect revised meter readings from fuel suppliers.

In this reporting period, overall carbon emissions were reduced by just under 202 tonnes of carbon dioxide, representing an 8.4% saving against 2022-23 and a 14.9% saving against the 2019-20 baseline. A small increase of (1.1%) in emissions from fuel oil were offset by reductions in electricity and natural gas of 8.3% and 10.3% respectively.

**NICTS Estate Energy Use 2023-24:**

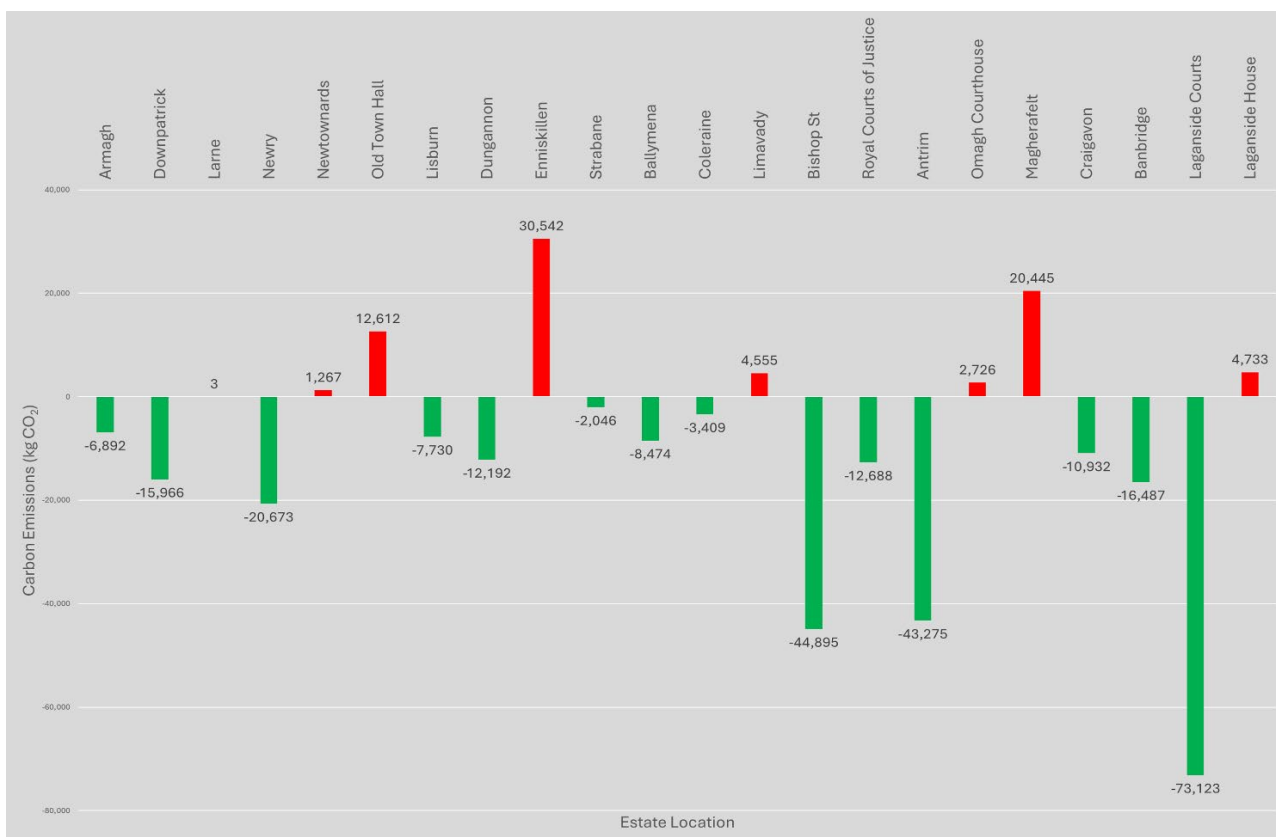


In 2023-24, 58% of our carbon emissions were as a result of fossil fuel and 42% were due to the use of electricity. As progress is made to decarbonise the fuel mix of grid supplied electricity,

NICTS will also need to reduce its reliance on fossil fuel and increase the electrification of some building services, through projects such as ventilation decarbonisation.

At a site level, the biggest emission reduction occurred at Laganside Courts as can be seen in the chart below, with annual emissions falling by 73 tonnes of carbon, which is a 14% saving compared to 2022-23. This is reflective of recent investment in the actual building on LED lighting and solar photovoltaic systems. The chart below illustrates that savings occurred in the majority of court buildings, confirming that the journey to net zero will also involve a combination of no cost and low cost interventions at a local level, as well as capital investment.

**NICTS Estate Carbon Emission Variance 2022-23 vs 2023-24 (kg CO<sub>2</sub>):**



*Estate Strategy - Sustainability aim*

The NICTS Estate Strategy referred to in Performance Analysis section identified ‘Sustainability’ as one of its key aims.

**Improved Sustainability**

To achieve the Strategic Aim of Improved Sustainability in NICTS, the approach to reducing building related emissions is based on the following themes:

- **Be Mean;**
- **Be Lean;** and
- **Be Green.**

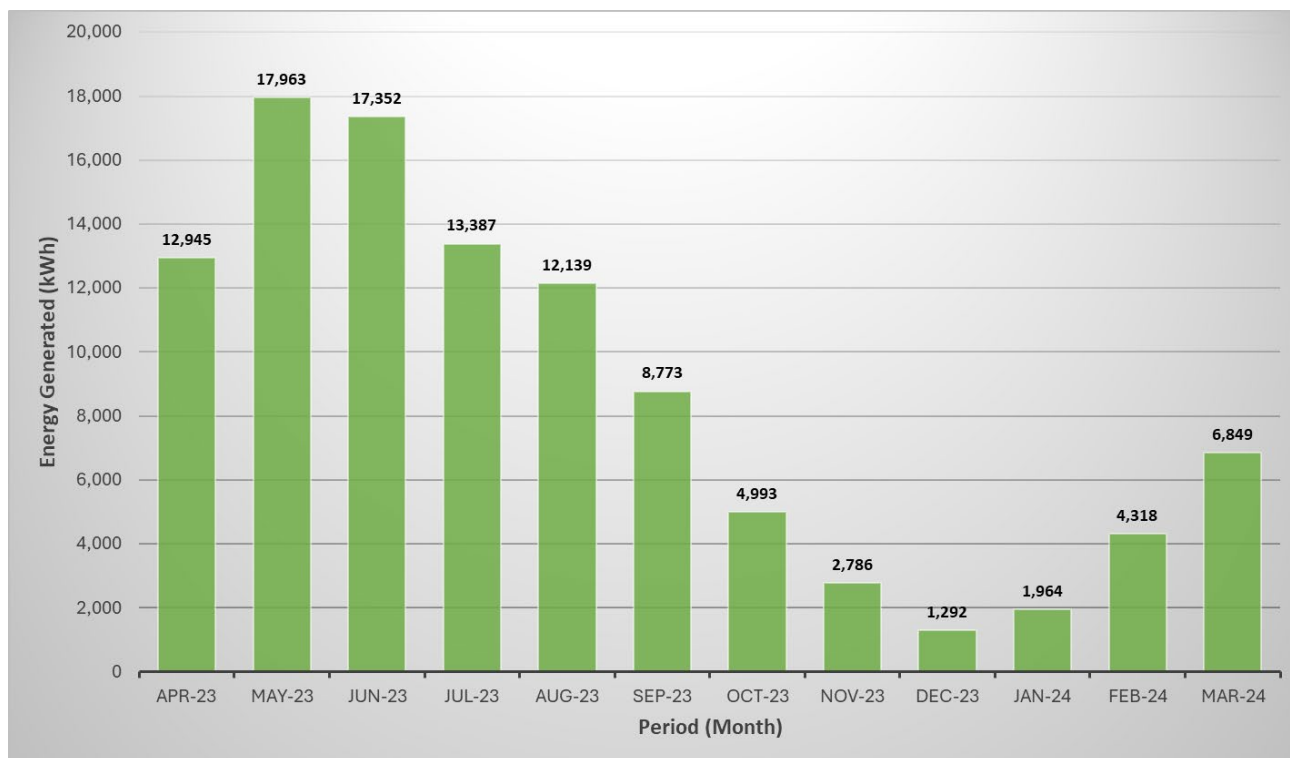


**Being Mean** involves reducing the demand for energy in our buildings through a combination of fabric insulation improvements and behavioural change. The variable occupancy patterns in our hearing rooms offers significant opportunities for NICTS to reduce energy demand, and the involvement of staff at all levels across the Agency is key to the success of this theme. In this reporting period, NICTS has completed the installation of an Automatic Meter Reading (AMR) system in all operational buildings. This system allows automatic collection and analysis of all utilities on a half hourly basis, which will allow us to highlight areas of inefficiency, rectify faults, empower behavioural change and prioritise future investment.

**Being Lean** involves using the most efficient equipment to power and heat our buildings, and exploiting the opportunities offered by smart building technology and automated control. In this reporting period, we have completed upgrades of our BEMS in two locations, and installed LED lighting in three buildings, leading to reductions in electricity consumption. In addition, we have completed a pilot ‘ventilation decarbonisation’ project within the RCJ. Further details on this pilot are set out below.

**Being Green** involves the use of renewable technologies to self-generate energy and reduce reliance on utility grids. In this reporting period, we have progressed the procurement for the installation of solar photovoltaic arrays at five sites, and the installation work is planned to complete during the 2024-25 reporting year. Our existing photovoltaic system at Laganside Courts continues to perform well, and in this reporting period we generated over 100,00kWh of renewable energy as illustrated in the graph below, saving over 25 tonnes of carbon dioxide.

**Laganside Courts Renewable Energy Generation 2023-24:**



**Ventilation Decarbonisation**

Due to the age and listed status of many of our buildings, it is unlikely that we will be able to afford, or practically implement, all of the improvements to the thermal envelopes that would be necessary to reduce carbon emissions. Therefore, we need to harness the opportunities available

through the use of smart building technology, and the fact that the occupancy patterns of our courtrooms are variable. A good example of how we are using low value capital investment to implement our estate strategy and meet our sustainability aims is the ventilation decarbonisation project at the RCJ.

This pilot project involved the replacement of the inefficient ventilation equipment serving the Nisi Prius, Court of Appeal, King's Bench 1 and King's Bench 2 courtrooms, some of the most auspicious Courts within the entire estate. New, highly efficient packaged air handling units have been installed, which are fully electrified and comprise high efficiency thermal recovery wheels, air source heat pumps and numerous linked air quality control sensors. The new systems will automatically assess the occupancy of the courtrooms and adjust temperature, air quality and energy use to match that occupancy. Significant carbon reductions and improved sustainability are anticipated through the use of heat pump technology, direct drive motors, heat pumps and a sophisticated new control strategy.

User Experience will be improved by using carbon dioxide and humidity sensors to ensure extremely high air quality and thermal comfort within the courtroom. In addition, for the first time we will be able to provide comfort cooling within these courtrooms, a key milestone on our Climate Change Adaptation journey.

By de-coupling the ventilation systems from the old, fossil fuel-based heating system, we will ensure improved resilience of these courtrooms while preparations continue for the major refurbishment of the venue.

By recovering almost all of the energy from the air in the courtrooms, and using high efficiency heat recovery and fans, we anticipate lower running costs, and fewer maintenance issues, leading to significantly improved value for money.

## **Climate Change Adaptation**

NICTS recognise that the concepts of climate change mitigation and climate resilience cannot be ignored. In October 2023, NICTS was directly impacted by a fluvial flood event at Newry Courthouse, which necessitated a temporary building closure. In 2024-25 we intend to commission a flood risk assessment for Newry Courthouse and progress any arising recommendations. Our ventilation decarbonisation projects will incorporate the reality of increased summer temperatures, and our ventilation and comfort cooling strategies will be adjusted or upgraded as necessary.

## **Water Use**

Through its routine maintenance programme, NICTS is progressing schemes that will reduce or eliminate the storage of cold water within our buildings. By converting our buildings to mains fed systems, we will improve water quality and reduce unnecessary expenditure. In 2023-24 year we installed water meters on all incoming supplies across the estate, so that this key metric can be measured and monitored.

## **Travel**

As part of the data development work to assist in the implementation of the Estate Strategy, NICTS has worked with colleagues from OSNI to develop a mapping interface of the NICTS estate. This interface allows analyses of the travel distances and times from every postcode

centroid in Northern Ireland to its associated court and tribunal venue. The Spatial NI map also illustrates the locations of other justice agencies, and in time this tool could be used to assess the carbon impact of travel associated with the despatch of court and tribunal business.

### Corporate social responsibility

In December 2023, NICTS participated in the DoJ Christmas Charity Appeal in support of the Trussell Trust. A number of local collection points were established across the NICTS estate at which staff could donate food and other essential household products to foodbanks across Northern Ireland.

Throughout the year staff also raised funds for a number of local charities and organisations including: Belfast Central Mission, St Vincent de Paul, Charity for Civil Servants, Cruse Bereavement Support, Kindness of Strangers, Northern Ireland Children's Hospice, Marie Curie, the Royal Victoria Hospital for Sick Children and Northern Ireland's only registered breast cancer charity, Pretty n Pink.

On Saturday 26 November 2023, Armagh Courthouse hosted the annual Georgian Day event which was organised in conjunction with Armagh, Banbridge and Craigavon Council. Over 100 members of the public donned stylish Georgian hats and waistcoats to watch proceedings or take part in mock trials - taking on the roles of jurors, witnesses and the accused.

In February 2024 a group of 12 Masters in Journalism students from the University of Ulster participated in a Crown Court Reporting Assignment, facilitated by Laganside Courts.

### Equality

In carrying out its functions relating to Northern Ireland, NICTS as an Executive Agency of the DoJ is required to have due regard to the need to promote equality of opportunity between:

- persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- men and women generally;
- persons with a disability and persons without; and
- persons with dependants and persons without.

DoJ is committed to complying with its statutory obligations under Section 75 of the Northern Ireland Act 1998 as outlined in the DoJ Equality Scheme; to promote equality of opportunity and good relations in everything we do.

### People and Engagement

The NICTS People Strategy 2022-27 was published in October 2022. The strategy is underpinned by a series of annual delivery plans, the first of which was published in April 2023. Our People Strategy Year One (2023-24) Delivery Plan contained 12 practical actions to enhance induction, increase opportunities for learning and development, improve how we communicate, and support wellbeing. Of these 12 actions, 10 have been fully implemented and two are ongoing.

Progress to date includes:

- the establishment of a Court Operations Guidance and Training Forum;
- the provision of spaces and technology to provide staff with increased access to both online and in-person learning;
- the introduction of “Welcome to NICTS” induction sessions for all staff joining the Agency;
- the development and launch of three NICTS intranet hubs: including: a “Welcome to NICTS” induction hub, a “People Hub” and a “Wellbeing Hub”;
- the introduction of online all-staff events, led by members of the NICTS Senior Management Team;
- the introduction of “The Hearing” a digital staff e-zine; and
- the development of a bespoke NICTS external recruitment competition for EO1 Court Clerks.

## Health and Wellbeing

A NICTS Wellbeing Framework, which sets out why wellbeing is important in the workplace and outlines the actions we will take to support wellbeing, was published in July 2023. The development of the framework was informed by focused engagement with NICTS staff, via a NICTS Wellbeing Working Group, and a range of external stakeholders including other NICS departments and justice partners.

In our Framework we identified six actions to support staff wellbeing. These included the creation of a “Wellbeing Hub” on the NICTS intranet to provide access to a range of information relating to wellbeing as well as publicising and promoting initiatives and events. We also developed a “Wellbeing toolkit” to provide staff and line managers with easy access to the wide range of supports and services currently available to support mental, physical, social, and financial wellbeing. Both the hub and toolkit were published in September 2023.

We have appointed and trained an additional nine NICTS Well Champions, to support the delivery of the NICS Well Programme, and five NICTS Safe Place Advocates. The role of a Safe Place Advocate is, primarily, to act as first point of contact and signpost staff in need to the various NICS and external supports and services that are available.

Our second annual NICTS Wellbeing Focus Week, in October 2023, comprised a weeklong series of diverse and interesting activities focused on supporting our mental, physical, social, and financial wellbeing. We will continue to deliver resilience training, designed to provide staff with the knowledge, skills and tools they need to look after their mental health and wellbeing at work, throughout the year.

Through our NICTS Estate Strategy we will also seek to ensure that sustainability, health, and wellbeing are embedded in all our workplace improvement projects. In particular, we will ensure that any physical changes to our office environments also consider opportunities to improve environmental performance and the sensory environment.

### ***Fraud and error analysis***

NICTS is not aware of any material fraud during 2023-24. There was one minor instance of fraud reported within NICTS during the financial year (2022-23: two cases). This incident related to a small amount of cash being unaccounted for. There is a zero-based tolerance level to any fraud within NICTS and all managers are aware of their responsibilities to detect and prevent fraud.

### ***Anti-corruption and anti-bribery***

NICTS complies with the DoJ Anti-Fraud and Anti-Bribery Policy and Response Plan. A fraud log is maintained and presented as a standing agenda item to NICTS ARAC and updates are provided to Departmental Audit and Risk Committee (DARC). The DoJ Anti-Fraud & Anti-Bribery Policy and Response Plan are available to staff on the DoJ intranet.

Any new regulations or Best Practice Guidance issued from DoJ, DoF or NIAO are considered and embedded accordingly.

NICTS is committed to the values of probity and accountability which foster a positive organisational culture. It is also committed to the elimination of any internal fraud, to the rigorous investigation of any prima facie case, and, where fraud or other criminal acts are proven, to ensure that wrongdoers are dealt with appropriately. NICTS will take proportionate steps to recover any assets lost as a result of fraud, corruption or theft. NICTS has a zero-tolerance approach towards acts of bribery and corruption by staff, associated persons and organisations.

Managing the risk of fraud and bribery is seen in the context of managing a wider range of risks. NICTS promotes an anti-fraud and anti-bribery culture by encouraging management to create conditions in which staff members have neither the motivation nor the opportunity to commit fraud or either offer or accept bribes. Professional staff are the first line of defence against these issues, supported by the establishment and maintenance of carefully designed and consistently operated procedures. Managers have prime responsibility for establishing internal control arrangements to minimise the risk of fraud, corruption and other irregularities within their business areas.

## **PERFORMANCE REPORT**



**Glyn Capper**  
**Accounting Officer**  
**21 June 2024**

## PART 2 - ACCOUNTABILITY REPORT

The Accountability section of the Annual Report outlines how NICTS meets its key accountability requirements to the Assembly and ensures best practice with corporate governance norms and codes. The three sub-sections within the Accountability Report are outlined below.

### i Corporate Governance Report

The purpose of this section is to explain the composition and organisation of the NICTS governance structures and how they support the achievement of its objectives.

The Corporate Governance Report includes:

- Director's Report;
- Statement of Accounting Officer's responsibilities;
- Non-Executive Members' Report; and
- Governance Statement.

### ii Remuneration and Staff Report

This section sets out the NICTS remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors as salary and pension entitlements.

In addition, the report provides information relating to remuneration and staff that the Assembly and other users see as key to accountability.

### iii Assembly Accountability and Audit Report

This section brings together the key Assembly accountability documents within the Annual Report and Accounts. It comprises:

- Regularity of expenditure;
- Assembly accountability disclosures; and
- Certificate and Report of the C&AG to the Assembly.



## CORPORATE GOVERNANCE REPORT

### DIRECTOR'S REPORT

#### Agency Board

The work of NICTS is co-ordinated and monitored by the NICTS Agency Board (the Board). The Board oversees the work of the NICTS in delivering its aims and objectives. The Board acts in an advisory and consultative capacity, offering guidance when sought. It is the senior tier for decision making in NICTS. It does not usually direct any of its Executive members on how their business areas should be run, with day-to-day operational matters the responsibility of the Director of NICTS.

The Director of NICTS is the Chair of the NICTS Agency Board and membership of the Board is detailed below. The Director of NICTS is also the designated Accounting Officer of NICTS.

The Board meets quarterly to consider progress on strategic and management issues. It has specific functions in relation to finance, planning and performance which are set out in the Agency Framework Document.

The Board is supported by the ARAC, the Strategic Resources Committee (SRC), and the NICTS Senior Management Team. ARAC supports the Board in its responsibilities for issues of risk control and governance by reviewing the completeness of assurances provided to the Accounting Officer. The SRC supports the Board by providing financial oversight and budgetary control.

All Board members are required to adhere to the Seven Principles of Public Life (also known as the Nolan Principles). These principles apply to anyone who works as a public office-holder and are available on the Treasury website at the following link [The Seven Principles of Public Life - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/the-seven-principles-of-public-life).

Membership of the Board at 31 March 2024 is as follows:

- Director of NICTS Glyn Capper;
- Acting Chief Operating Officer Elaine Topping;
- Chief Modernisation Officer Karen Ward; and
- Non-Executive Members Vilma Patterson MBE and Albert Hamilton.

Three Judicial Representatives are nominated by the Lady Chief Justice and keep the Board informed of the views of the Judiciary on NICTS and its operations. The current Judicial Representatives are:

- The Right Honourable Dame Siobhan Keegan, Lady Chief Justice of Northern Ireland;
- Her Honour Judge Smyth, Recorder of Belfast and Presiding County Court Judge;
- District Judge Keown, Presiding District Judge (Magistrates' Courts); and
- Mr John Duffy, President of the Appeals Tribunals.

Patrick Butler, Head of Legacy Inquest Unit and Coroners Service, and Alison Houston, Principal Private Secretary to the Lady Chief Justice, also attend the Board.

Vilma Patterson MBE joined the Board in October 2023, replacing Nicole Lappin whose term ended in September 2023. Vilma is also the Chair of the ARAC.

Albert Hamilton joined the Board in October 2023, replacing Graham Dalton whose term ended in September 2023. Mr Hamilton is also a member of the SRC and the Vision 2030 Portfolio Board.

The role of the Non-Executive Members (NEMs) includes:

- providing strategic advice to the Board, contributing to decision-making and supporting the good corporate governance of the Agency;
- using their experience to challenge and support the Board, acting corporately;
- ensuring that the Board obtains and considers all appropriate information; and
- notifying the Board of any matters that threaten the regularity, propriety or value-for-money within the Agency.

### Business appointment rules

The [NICS Standards of Conduct Policy](#) (Section 8 and Annexes 4) sets out the rules on the acceptance of outside business appointments, employment or self-employment by Civil Servants after leaving the NI Civil Service. This includes procedures to make staff aware of these rules and provides that the Permanent Secretary of the department is responsible for the effective operation of the Business Appointment Rules within their department.

### Register of interests

A Register of Interests is maintained by NICTS and no significant interests are currently held by Board members which may conflict with their management responsibilities.

### Data related incidents

There were no personal data related incidents reported to the Information Commissioner's Office (ICO) during 2023-24.

### Complaints

NICTS is committed to providing a high-quality service across all business areas. Key to demonstrating this commitment is a robust and effective complaints procedure which addresses any customer dissatisfaction fairly, comprehensively and with a view to early resolution. The complaints procedure allows customers to report when they are unhappy with the quality of service provided and receive redress where appropriate. The policy and a policy procedure document to assist staff are available on the Service's website at [www.justice-ni.gov.uk/articles/nicts-complaints-and-policy-procedures](http://www.justice-ni.gov.uk/articles/nicts-complaints-and-policy-procedures).

The NICTS complaints policy and procedures are reviewed annually, with the latest review carried out in November 2023. In addition, the NICTS Complaints Co-ordinator attended the DoJ Complaints Forum in March 2024.

The Complaints Procedure reflects the overall Departmental approach to managing complaints and is a two-stage process. Initial complaints are dealt with by the local business area with any complaints escalated to stage two overseen by a member of the NICTS Senior Management Team.

Should the complainant remain dissatisfied with the response following this second stage, they can raise the complaint with the Northern Ireland Public Services Ombudsman.

The Complaints Officer monitors the progress of all complaints to ensure compliance with procedures, including adherence to the timescales contained within the policy, and to ensure the Service operates a transparent and consistent complaints system, with all complaints being treated fairly.

There were 61 complaints (2022-23: 60 complaints) recorded in the Complaints Register during 2023-24:

Stage 1 complaints	Number	%
Upheld	14	23
Partially upheld	10	16
Not upheld	37	61
<b>Total</b>	<b>61</b>	<b>100</b>

The Complaints Officer will request that the relevant business area dealing with a complaint documents any lessons learned, which will be collated and listed in the bi-annual update report to the Senior Management Team to note and take action where necessary. Any recommendations based on the lessons learnt are passed to the Complaints Officer to amend the complaints procedure and communicated to the relevant business area with a view to improving service delivery and maximising quality.

Complaints are handled by the NICTS Corporate Support and Engagement Branch and can be made:

- in writing to: Complaints Co-ordinator  
Corporate Support and Engagement Branch  
Northern Ireland Courts and Tribunals Service  
Laganside House  
23-27 Oxford Street  
Belfast  
BT1 3LA
- by e-mail: [Complaints@courtsni.gov.uk](mailto:Complaints@courtsni.gov.uk)

## Raising a Concern

NICTS complies with the DoJ Raising a Concern Policy, which is available on the NICTS intranet.

The policy tells staff how to report a concern and what they should expect to happen. It is designed to reassure staff that they can raise genuine concerns about potential wrongdoing, in confidence, through a clear internal reporting process, without putting their position at risk. The policy also provides arrangements through which anyone who is not a member of staff (for example members of the public) can raise concerns about the proper conduct of public business by the Department or any of its Agencies. It explains the types of concerns covered by this policy, how DoJ staff members (including those in its Agencies) and anyone external to the DoJ can raise a concern and how these concerns will be managed by the Department. Where appropriate, it signposts individuals to other relevant policies such as the Complaints Policy, NICS Grievance Policy and Anti-Fraud and Anti-Bribery Policy and Response Plan. The Head of Internal Audit may be contacted by NICTS to conduct independent investigations into issues raised under the policy.

The policy is designed to encourage an open-door culture within NICTS and includes details of other regulatory bodies, which may also provide assistance in raising concerns.

One concern was raised during 2023-24 (2022-23: three concerns were raised and investigated).

## STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the *Government Resources and Accounts Act (Northern Ireland) 2001*, the DoF has directed NICTS to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NICTS and of its income and expenditure, Statement of Financial Position, changes in taxpayers' equity and cash flows for the financial year.

In preparing the Accounts, the Accounting Officer is required to comply with the requirements of the Government FReM and in particular to:

- observe the Accounts Direction issued by the DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the Accounts;
- prepare the Accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The DoJ Accounting Officer has designated the Director of NICTS as the Accounting Officer of NICTS. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the NICTS' assets, are set out in the Accounting Officers' Memorandum issued by DoF and published in *Managing Public Money Northern Ireland (MPMNI)*.

The Accounting Officer is responsible for the maintenance and integrity of the information on the NICTS website.

As Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information. So far as I am aware, there is no relevant information of which the auditors are unaware.

## NON-EXECUTIVE MEMBERS' REPORT

Both serving non-executive Directors took up position in October 2023. We wish to commence this report by expressing our appreciation for the welcome provided by NICTS Senior Management and the time invested in ensuring we received a comprehensive induction and remain briefed on the range and complexities of the work involved.

As context for this report, NICTS continues to adjust to delivering output in the aftermath of the Covid-19 Pandemic and following the restoration of the Northern Ireland Executive which occurred in quarter four of the business year. It is anticipated that recent political developments should enable strategic decision making and progress on Programme for Government priorities and financial allocations for 2024-25.

We are pleased to note several progressive developments since Autumn 2023 and take the opportunity to highlight some key events below.

**Modernisation:** It is an important time for NICTS with the modernisation of services and estates through the Vision 2030 initiative.

- 67 Courtrooms and 8 Witness Rooms now benefit from upgraded digital provision and progress continues towards the integration of a new digital and web portal in line with the business plan.
- Two new Case Management Systems went live in September 2023 and the Judicial App launched in February 2024.
- The new Estate Strategy will assist in providing NICTS accommodation that is fit for purpose, with governance and oversight for the RCJ upgrade and PFI handover of Laganside Courts.

**Budget:** Despite significant operating challenges and budgetary pressures, NICTS delivered a balanced budget at financial year end. We were further pleased to see that funding has been secured to continue the excellent work within the Fine Collection Service Legacy Team and note the Unqualified Accounts for the Funds in Court Statement of Accounts 2022-23 laid in January 2024.

Alongside these achievements there are some areas which we anticipate requiring further focus in the 2024-25 year.

**Estates:** Much of the work of NICTS is front facing with the public. Many of the structures that it works in are in need of upgrading, for which investment will be required.

**Staffing:** Staff vacancies are common across NICS and NICTS faces challenges here too. Staff in post have been working for some time to make up the shortfall and this is not sustainable. Recent approval for a bespoke recruitment competition for EO1 and AO roles is welcomed and the NICTS People Strategy looks to be helpful in establishing a favourable working environment for the recruitment and retention of colleagues.

**Litigation:** We will be closely monitoring the unfolding picture relating to NICTS exposure to litigation relating to potential unlawful imprisonment from fine default action.



**Budget:** Significant budget pressures continue across the public sector, and the fact that NICTS has a one-year allocation impacts the capacity to plan and deliver strategic objectives and long-term investment in infrastructure.

We recognise that this is an organisation that has a broad remit, with dedicated staff working hard to deliver an ambitious business plan and complex statutory requirements. Despite operational and financial challenges, NICTS continues to achieve success. We are confident that Senior Management are clear on the areas of work which require particular focus and are striving to plan ahead for the design and implementation of identified solutions to issues in relation to staffing, estates and digital transformations.

**Vilma Patterson MBE**

**Albert Hamilton**

## GOVERNANCE STATEMENT

### 1. Role and responsibilities of NICTS

NICTS is an Agency of DoJ. NICTS operates under a Framework Document that has been agreed by DoJ and DoF. The Agency Framework Document sets out the arrangements for the effective governance, financing, and operation of NICTS.

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Service's policies, aims and objectives, whilst safeguarding the public funds and assets for which, in accordance with the responsibilities assigned to me in my letter of delegation and in accordance with MPMNI.

As Director of NICTS I am responsible for the day-to-day operation and administration of NICTS and the leadership and management of its staff. I am accountable to the DoJ Permanent Secretary, and ultimately to the Assembly, working under the direction of the Justice Minister and in accordance with the Framework Document. The Assembly was in a period of suspension until February 2024, after it collapsed in February 2022. In February 2024, the British and Irish governments agreed on a deal to restore devolved government in Northern Ireland. Naomi Long MLA was re-appointed Minister of Justice on 3 February 2024.

#### *Strategic Context*

The 2023-24 Business Plan set out the strategic objectives, priorities and key targets for NICTS. The annual plan was derived from the DoJ Corporate Plan 2022-25 and Departmental Business Plan 2023-24.

The Agency Board reviewed progress against the 2023-24 Business Plan throughout the year and progress is reported in the Performance Analysis section and at Annex B of this Annual Report.

### 2. Purpose of the governance framework

The governance framework is the system which ensures the effectiveness of direction and control of NICTS. The framework encompasses the following internal controls:

- **governance** - how NICTS plans, sets, communicates and monitors its corporate objectives;
- **risk management** - how NICTS identifies, considers and manages the risks to the achievement of corporate objectives; and
- **business controls** - how NICTS assures itself and its stakeholders that it is in control of its business and the risks to the achievement of its objectives.

The governance framework is designed to manage risk to a reasonable level rather than to eliminate all risk. The framework is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

As Accounting Officer I have established a governance framework and management structure to support me in the management of the key risks of NICTS.

### 3. Governance framework

During 2023-24 NICTS complied with the key principles of the Corporate Governance in Central Government Departments - Code of Good Practice (NI) 2013 which it considered applicable. The key organisational structures which support the delivery of effective corporate governance are:

- Agency Board;
- Strategic Resources Committee (SRC), previously the Finance Committee; and
- Audit and Risk Assurance Committee (ARAC).

#### *Agency Board*

The Board provides a vital role in shaping and directing the organisation to ensure it is equipped to deliver high quality and cost-effective services to court and tribunal users. The Board is responsible for business and corporate planning, reporting, and the oversight of the functions of NICTS including finance, planning, performance, and policy initiatives. The Board operates within the parameters of the Agency Framework Document and the agreed Terms of Reference. The Framework Document is published on the NICTS website.

#### *Declarations of Interests*

NICTS maintains a Register of Interests for Board Members. Declarations include anything which may give rise to conflict with the position of a Board member, including:

- any Directorships (including Non-Executive Directorships) held in Private Companies or Public Limited Companies;
- any private companies, businesses or consultancies which they may own (or part-own), and which may seek to do business with the DoJ and the public bodies it sponsors;
- position of authority held in Charities or Voluntary Bodies in fields related to the work of the DoJ;
- any connections which they may have with voluntary, or other bodies, contracting with the DoJ and the public bodies it sponsors; and
- any other interests that could have a conflict.

For 2023-24, the Accounting Officer has been provided with assurance that no Board members have declared any conflict of interest with the business of NICTS.

The Board met on four occasions during the 2023-24 financial year. At the beginning of each Board meeting members are asked by me, as the Chair, to declare any conflicts or potential conflicts of interest. To allow members to prepare and consider any potential conflicts of interest members are provided with an agenda and all papers to be discussed, five working days before the meeting. Details of any significant interests which may conflict with Board members' management responsibilities can be found in Note 21 to the accounts.

Attendance by members is shown below for the four meetings of the Board during 2023-24:

Position	Member	Attendance
Director of NICTS (Chair)	Glyn Capper	4/4
Acting Chief Operating Officer	Elaine Topping	3/4
Chief Modernisation Officer	Karen Ward	2/4
Non-Executive Member	Nicole Lappin*	2/2
Non-Executive Member	Vilma Patterson MBE*	2/2
Non-Executive Member	Graham Dalton*	2/2
Non-Executive Member	Albert Hamilton*	2/2
Judicial Representative	The Right Honourable Dame Siobhan Keegan, Lady Chief Justice of Northern Ireland**	1/1
Judicial Representative	The Honourable Mr Justice Colton**	3/3
Judicial Representative	Her Honour Judge Smyth QC, Recorder of Belfast	1/4
Judicial Representative	Presiding District Judge Keown, Magistrates' Court	2/4
Judicial Representative	John Duffy, President of the Appeals Tribunal	3/4
Principal Private Secretary to the Lady Chief Justice	Alison Houston	4/4
Head of Legacy Inquest Unit and Coroners Service NI	Patrick Butler	4/4

\* Nicole Lappin and Graham Dalton's term ended on 30 September 2023. They were replaced by Vilma Patterson MBE and Albert Hamilton on 1 October 2023.

\*\*The Honourable Mr Justice Colton ceased to be a Judicial Representative on the Agency Board and was replaced by The Right Honourable Dame Siobhan Keegan, Lady Chief Justice of Northern Ireland on 25 March 2024.

Key work of the Board during the year included:

- delivery of the NICTS key priorities against the Business Plan within the constraints of significant financial pressures;
- monitoring and mitigating against NICTS risks;
- overseeing the management of NICTS resources including staff, information, physical and financial resources; and
- review of the NICTS Audit and Risk Assurance Report.

The Board has established two formal sub-Committees to assist it in carrying out its functions – the SRC and ARAC.

There were no Ministerial Directions given during the year.

### **Strategic Resources Committee(SRC)**

The SRC assists the Board with financial oversight and budgetary control. Previously the Finance Committee, the SRC has an extended remit to cover staffing resources and performance and had its inaugural meeting on 19 March 2024. The Acting Head of Finance in NICTS advises the Committee on any material issues concerning financial oversight and budgetary control. The Terms of Reference for the Committee are published on the NICTS website.

Attendance by members is shown below for the five meetings of the SRC/Finance Committee during 2023-24:

<b>Position</b>	<b>Member</b>	<b>Attendance</b>
Director of NICTS (Chair)	Glyn Capper	5/5
Acting Chief Operating Officer	Elaine Topping	4/5
Chief Modernisation Officer	Karen Ward	3/5
Acting Head of Finance	Louise Laverty	5/5
Non-Executive Member	Graham Dalton*	2/3
Non-Executive Member	Albert Hamilton*	2/2
Judicial Representative	The Honourable Mr Justice Colton	4/5

\* Graham Dalton's term as a Non-Executive Member of the Strategic Resources Committee ended on 30 September 2023. He was replaced by Albert Hamilton on 1 October 2023.

After each meeting the Acting Head of Finance provides a highlight report to the Agency Board covering the main issues discussed by the SRC.

### **Audit and Risk Assurance Committee (ARAC)**

The role of the ARAC is to provide the Board and myself, as Accounting Officer, with independent assurance over the adequacy and effectiveness of the established internal controls and risk

management systems within NICTS. ARAC monitors the effective implementation of all agreed audit recommendations both internal and external; examines the effectiveness of the overall risk management process and receives assurance from the NICTS Risk Co-ordinator. ARAC operates in accordance with the Audit and Risk Assurance Committee Handbook (NI), published on 29 May 2013 and updated on 1 April 2018. Although ARAC primarily considers matters relating to NICTS, it also ensures that the inter-relationships between it and the DARC are documented and agreed, particularly where assurance is provided on matters which properly support the Departmental Governance Statement.

The Terms of Reference for ARAC are published on the NICTS website.

The Committee is chaired by an independent Non-Executive Member of the Agency Board.

Attendance by members is shown below for the five meetings of the Committee during 2023-24:

Position	Member	Attendance
Non-Executive Member (Chair)	Nicole Lappin*	2/2
Non-Executive Member (Chair)	Vilma Patterson MBE*	3/3
Non-Executive Member	Philip Cromie	5/5
Judicial Representative	The Honourable Mr Justice Huddleston	5/5

\* Nicole Lappin resigned from the Audit and Risk Assurance Committee and was replaced by Vilma Patterson MBE on 1 October 2023.

Key work of ARAC included consideration of:

- NIAO audit strategies and reports to those charged with governance;
- Internal Audit's plan including strategy, activity reports and progress updates;
- Head of Internal Audit's annual opinion and report;
- Risk management and corporate governance;
- Financial governance and fraud reporting; and
- Annual reports and accounts.

After each meeting the Chair of ARAC presents a report to the Agency Board covering the main issues discussed by the Committee.

#### 4. Risk management and internal control

##### Risk Management

Risk management forms a central element of the governance framework. Risk management is championed by the Head of Corporate Services, with the Agency Board owning the overall risk



management framework.

The Agency aims to assess and effectively manage risk in the achievement of its business objectives. Its capacity to manage risk derives from the experience and ability of managers to operate the fully documented risk management process. The Departmental Risk Management Framework is in line with best practice set out in the NIAO report on Good Practice in Risk Management.

The Framework details the approach to risk management, including: risk appetite; the hierarchy for managing risks; the risk identification and escalation process; and the roles and responsibilities of the various levels of management.

This approach allows risks to be identified and managed at all levels and to be escalated as appropriate.

The Board provides leadership and direction in managing the risk environment in which the Agency operates. Each Head of Division provides leadership to the risk management process in their particular areas of responsibility, as well as corporately through their involvement in the Board, the ARAC and local management meetings. Each business area prioritises risk against standardised risk impact/likelihood descriptors to reduce subjectivity in assessing risk. The corporate risk appetite is set by the Board and used as a starting point for setting levels of risk tolerance. Managers and Heads of Division escalate risks which have exceeded specific risk appetites to the next level of management. The Agency's overall arrangements for effective risk management include:

- an approach to risk management that aligns directly with that of the Department;
- an agreed risk appetite in line with the DoJ's policy;
- quarterly review of Branch, Divisional and Corporate Risk Registers to identify and escalate the risks threatening to impact upon the achievement of the Agency's objectives;
- quarterly review of corporate risks by the Board;
- ARAC agenda items focusing specifically on risk management;
- structures in place to assess and report on information risk; and
- bi-annual Stewardship Statements from managers, providing formal assurance on their management of risk for their respective business areas.

A key element of the Agency's risk and control framework is a professionally led Internal Audit function that works to Government Internal Audit Standards. Internal Audit reviews the overall arrangements for managing risk, provides assurance, and subsequently reports any matters of concern to ARAC. Assurance is also obtained from NIAO who present their audit report to ARAC following the statutory audit of the Agency's Annual Report and Accounts.

### ***Information assurance***

NICTS is committed to managing and protecting personal data in line with data protection legislation and DoJ policies and procedures. NICTS is represented on a number of Departmental

groups including the Information Risk Owners' Council (IROC), and the Accreditation Panel and Security Managers' Forum. In addition, NICTS provides bi-annual updates on records and information management to the Agency ARAC.

Data incidents are reported and managed in line with the DoJ Security Incident Reporting policy. Minor or low risk incidents are recorded and managed locally by NICTS. Major incidents which involve an actual data breach, may result in the ICO taking enforcement action or could cause harm and/or distress to individuals. Major incidents are reported to the DoJ Information Security (IS) Team to allow for potential notification to the ICO within 72 hours of becoming aware of the incident.

During 2023-24, 97 data incidents (2022-23: 69 data incidents) occurred with the highest proportion relating to post lost in transit. Of the 97 incidents, 2 were deemed reportable to DoJ (2022-23: 5 incidents). However, the incidents did not meet the threshold for reporting to the ICO. All data incidents are investigated to identify lessons learned and appropriate remedial actions including the implementation of revised business processes as required.

The Information Assurance Risk Register continues to be reviewed at every meeting of IROC and the Chief Information Officer presents a report for discussion covering all incidents.

The accreditation of the network and infrastructure is the responsibility of DoF Digital, Security & Finance (DSF) Shared Services, who have confirmed that these elements of its service are fully accredited. NICTS is responsible for accrediting only the aspects of the service that relate to LoB systems. Typically, this relates to application software, databases, and online interfaces. Full Accreditation Certificates have been issued by DoJ for all NICTS LoB systems, including several new systems.

Annual IT Health Checks on all NICTS LoB systems were completed between September 2023 and February 2024 and will be planned for late 2024.

IT Assist, part of DoF DSF Shared Services, provide and host most of NICTS information systems. IT Assist provide a resilient solution, based on high availability, redundancy, and mirrored data centres. NICTS also has several cloud-based systems which are fully supported by third party suppliers, these systems are hosted in UK based data centres which are engineered to provide 99.99% availability.

Disaster Recovery tests were successfully completed in June 2024 for the main NICTS LoB systems and in September 2023 for Causeway. Disaster Recovery tests are currently being planned for September 2024 for Causeway.

In summer 2023 DoJ Internal Audit completed an Information Assurance and Cyber Security audit in NICTS. The audit report provided an overall Satisfactory audit opinion with three Priority 3 recommendations, relating to Information Assurance and systems access, which have all been addressed.

NICTS continues to monitor and review the application of Information Assurance policies to ensure data is handled appropriately and that any associated risks are identified and managed.

### **Internal Control**

The system of internal control is not designed to eliminate all risk of failure but to manage risk to

a reasonable level to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control has been in place in NICTS for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts. This accords with DoF guidance.

NICTS has in place a range of policies and processes to ensure that it is compliant with MPMNI, policies and guidance issued by DoJ and financial delegations granted by DoJ and DoF.

## 5. Review of effectiveness of the governance framework

As Accounting Officer I have responsibility for reviewing the effectiveness of the governance framework including the system of internal control. The review of effectiveness is informed by the work of Internal Audit, the internal control framework and comments made by external audit in their reports to those charged with governance and other reports. A sound governance framework has been established across NICTS which includes:

- Agency Board;
- ARAC with independent membership;
- Governance reviews;
- Annual governance statement;
- Stewardship statements; and
- Independent reviews by Internal Audit.

I received additional comfort from the inter-departmental assurance report relating to shared services provided to the various NI departments, by the DoF Head of Internal Audit. This report offers an update on the key business areas and provides satisfactory assurance.

The Head of Internal Audit has provided **Satisfactory Assurance** based on the work carried out during the year.

The 2023-24 Annual Internal Audit Plan, which included nine separate reviews, was endorsed by ARAC.

Progress against the plan was monitored by ARAC throughout the year. While it is the Head of Internal Audit's overall assessment that the control environment within NICTS is 'Satisfactory', the assurance provided in relation to OSO remains limited. An audit was due to take place in 2023-24 following the implementation of the new case management system in September 2023. This has been postponed until 2024-25 pending the introduction of some system fixes by the supplier and subsequent time required to have it fully operational and embedded within the team.

The implementation of audit recommendations is subject to internal audit monitoring and updates on priority one recommendations are provided bi-annually to ARAC. In 2023-24 there were eight satisfactory reports and no priority 1 recommendations.

## Agency Board Effectiveness

Information presented to the Board is fundamental for its assessment and understanding of the performance of NICTS. The Board receives a variety of standard information, and other papers, which are quality reviewed by the Board secretariat. The information received allows the Board to be kept informed of any issues that it needs to be aware of, or take action on, to support decision making and drive improvement.

Given the changes to the composition of the Board (two new Non-Executive Board Members joined in October 2023), the next review of the effectiveness of the Board will be conducted in the 2024-25 business year and the findings presented to the Board thereafter.

## 6. Budget position

The Northern Ireland Budget (No. 2) Act 2023 was passed by Parliament and received Royal Assent on 18 September 2023 which authorised the cash and use of resources for all departments and other bodies for the full 2023-24 financial year. The Executive meeting on 15 February 2024 agreed additional allocations for departments in respect of financial pressures being reported in 2023-24. NICTS received an additional £4,593k which met all forecasted pressures for the year. Following a written statement from the Minister of Finance to the Assembly on 25 April 2024, the Budget 2024-25 allocations were issued to departments. The Minister of Justice approved the proposed allocations to business areas, which were issued on 21 May 2024.

## 7. Significant internal control issues

The following sections outline the significant internal control issues identified as a result of assurance activities in NICTS together with details of the plans in place to address any weaknesses identified.

### *Official Solicitor's Office (OSO) cases*

Internal Audit carried out a review of OSO during 2015-16 which resulted in limited assurance. Internal Audit was unable to verify the completeness of the case workload within OSO as there was no independent record that could be used to reconcile the composition of the current Minors and Patients details. Subsequent to the audit a spreadsheet system was developed to record all cases until such times as the recommended bespoke IT workflow system was procured.

An IT workflow-based solution to capture all case file details and act as a centralised information hub to allow for more efficient working practices became operational in September 2023. This allows for greater visibility of cases within OSO and should enable a full and complete audit trail.

An audit of OSO was scheduled for 2023-24 but this has been postponed until 2024-25 pending the implementation of system fixes by the supplier and time required to embed the system.

### *Priority One recommendations from Internal Audit*

#### *Internal Audit*

Internal Audit operates to Public Sector Internal Audit Standards. It submits regular reports, including an independent opinion by the Head of Internal Audit, on the adequacy and effectiveness of the NICTS system of risk management, control and governance.

There is currently one outstanding priority one Internal Audit recommendation relating to the introduction of an IT workflow based solution within OSO. The new system has been introduced but the recommendation for OSO will remain outstanding until Internal Audit complete the audit in the next reporting period.

The implementation of the Priority One recommendation is subject to review by both Internal Audit and ARAC.

## 8. Accounting Officer Statement On Assurance

NICTS has an established and robust assurance framework that includes primary assurance through line management structures on the achievement of objectives. This primary assurance is supplemented by secondary assurances provided through oversight of management activity.

In addition, independent assurance is provided by the NICS Group Internal Audit and Fraud Investigation Service, operating to Public Sector Internal Audit Standards. Internal Audit delivers an agreed prioritised programme of systems-based audits covering all NICTS systems over time. The Head of Internal Audit provides me with an Annual Report and Opinion on the level of assurance that can be provided based on the work done. For the 2023-24 year an overall **satisfactory assurance** was provided.

NICTS has maintained a framework of control to ensure that there are sufficient processes in place to provide assurance over financial and operational risks, as well as performing a regular review of the effectiveness of the system of internal control.

I am therefore satisfied that I have effective governance arrangements and the necessary policies and procedures in place to provide a sound system of internal control to support NICTS in delivering its statutory duties and to meet the aims and objectives set by the Department, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in my letter of delegation and in accordance with *MPMNI*.

**Glyn Capper**  
**Accounting Officer**

## REMUNERATION AND STAFF REPORT

### REMUNERATION REPORT

#### Remuneration policy

The pay remit for the Northern Ireland Civil Service (NICS), including senior civil servants (SCS), is normally approved by the Minister of Finance. Following the Secretary of State for Northern Ireland's 27th April 2023 Written Ministerial Statement (WMS) on the budget, the NI public sector pay policy guidance was published on 31st May 2023 in FD (DoF) 05/23. This was subsequently updated on 12th March 2024 in FD (DoF) 04/24 to reflect the return of Executive Ministers and revised departmental budgets.

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS non-industrial staff, including SCS, for 2023-24 has been finalised and is due to be paid in June 2024. The 2023-24 pay award for NICS industrial staff has also been finalised and is due to be paid in May 2024.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minima to maxima, allowing progression towards the maximum based on performance.

#### Service contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The [Recruitment Code](#) published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made by exception to merit.

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

#### Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the Accounting Officer and the Agency board members.

Of those reported in 2023-24 all are SCS.

## Remuneration and pension entitlements

[Audited information]

### Single total figure of remuneration

2023-24

Officials	Salary £000	Benefits in kind (to nearest £100)	* Pension benefits (to nearest £1,000)	Total £000
<b>Glyn Capper*</b> Director of NICTS	100 - 105	-	28	<b>125 – 130</b>
<b>Elaine Topping*</b> Acting Chief Operating Officer	75 - 80	-	(20)	<b>55 – 60</b>
<b>Karen Ward*</b> Chief Modernisation Officer	75 - 80	-	31	<b>110 - 115</b>
<b>Nicole Lappin**</b> Non-Executive Member (until 30 September 2023)	0 – 5	-	-	<b>0 - 5</b>
<b>Graham Dalton**</b> Non-Executive Member (until 30 September 2023)	0 - 5	-	-	<b>0 - 5</b>
<b>Vilma Patterson MBE**</b> Non-Executive Member (from 1 October 2023)	0 - 5	-	-	<b>0 - 5</b>
<b>Albert Hamilton**</b> Non-Executive Member (from 1 October 2023)	0 - 5	-	-	<b>0 - 5</b>

\* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

\*\* Payment to the Non-Executive Members (NEMs) is on a per diem basis for attendance at meetings and therefore a figure for full year equivalent (FYE) is not applicable. Amounts disclosed as benefits in kind relate to payments for travel and subsistence. There are no entitlements to pension or other contributions from NICTS for NEMs.



[Audited information]

## Single total figure of remuneration

2022-23

Officials	Salary £000	Benefits in kind (to nearest £100)	* Pension benefits (to nearest £1,000)	Total £000
<b>Glyn Capper*</b> Acting Director of NICTS	95 - 100	-	10	<b>105 - 110</b>
<b>Elaine Topping*</b> Acting Chief Operating Officer (from 4 April 2022)	70 - 75 (70 – 75 FYE)	-	37	<b>110 - 115</b>
<b>Karen Ward*</b> Chief Modernisation Officer	75 - 80	-	(12)	<b>60 - 65</b>
<b>Nicole Lappin**</b> Non-Executive Member	5 - 10	-	-	<b>5 - 10</b>
<b>Graham Dalton**</b> Non-Executive Member	5 - 10	-	-	<b>5 - 10</b>

\* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

\*\* Payment to the Non-Executive Members (NEMs) is on a per diem basis for attendance at meetings and therefore a figure for full year equivalent (FYE) is not applicable. Amounts disclosed as benefits in kind relate to payments for travel and subsistence. There are no entitlements to pension or other contributions from NICTS for NEMs.

## Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by NICTS and thus recorded in these accounts.

The Northern Ireland Assembly was dissolved from 28 March 2022 with an election taking place on 5 May 2022. An Executive was not initially formed following the 5 May 2022 election. Consequently, the former Ministers retained their roles in a caretaker capacity until 28 October 2022. The Executive was subsequently restored on 3 February 2024, on which date new Ministers were appointed. As such, DoJ was under the direction and control of Minister for Justice, Naomi Long from this date. Her salary and allowances were paid by the Department and are not included in these accounts.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by NICTS and treated by His Majesty's Revenue and Customs (HMRC) as a taxable emolument.

## Fair pay disclosures

*[Audited information]*

### Pay Ratios

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in NICTS in the financial year 2023-24 was £95,000 - £100,000 (2022-23: £95,000 - £100,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2023-24	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
Total remuneration (£)	23,789	26,569	29,859
Pay ratio	4.1:1	3.7:1	3.3:1

2022-23	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
Total remuneration (£)	23,237	26,295	29,331
Pay ratio	4.2:1	3.7:1	3.3:1

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

For 2023-24 and 2022-23, the 25<sup>th</sup> percentile, median and 75<sup>th</sup> percentile remuneration values consisted solely of salary payments.

In 2023-24, no employees (2022-23: none) received remuneration in excess of the highest paid director.

Remuneration ranged from £21,053 to £97,500 (2023-23: £19,121 to £97,500).

### **Percentage change in remuneration**

NICTS is also required to disclose the percentage change from the previous financial year in the:

- (a) salary and allowances; and
- (b) performance pay and bonuses.

of the highest paid director and of its employees as a whole.

The percentage changes in respect of NICTS are shown in the following table. It should be noted that the calculation of the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

<b>Percentage change for:</b>	<b>2023-24 v 2022-23</b>	<b>2022-23 v 2021-22</b>
Average employee salary and allowances	1.6%	(0.2%)
Highest paid director's salary and allowances	0%	0%
Average employee performance pay and bonuses	N/A*	N/A*
Highest paid director's performance pay and bonuses	N/A**	N/A**

\* The NICS special bonus scheme was withdrawn with effect from 31 March 2021.

\*\* No performance pay or bonuses were payable to the highest paid director in these years.

The 1.6% increase in average employee salary and allowances is due to the 2022 pay award (2022-23: 0.2% decrease).

There has been no change in percentage in relation to the Highest paid director, given the delay in implementing the SCS 2023 Pay Award.

**Pension benefits***[Audited information]*

<b>Officials***</b>	<b>Accrued pension at pension age as at 31/3/24 and related lump sum £000</b>	<b>Real increase in pension and related lump sum at pension age £000</b>	<b>CETV at 31/3/24** £000</b>	<b>CETV at 31/3/23* £000</b>	<b>Real increase in CETV £000</b>	<b>Employer contribution to partnership pension account Nearest £100</b>
<b>Glyn Capper</b> Director of NICTS	35 – 40	0 – 2.5	669	598	13	-
<b>Elaine Topping</b> Acting Chief Operating Officer	40 – 45	-	859	814	(30)	-
<b>Karen Ward</b> Chief Modernisation Officer	35 – 40 plus lump sum of 20 – 25	0 – 2.5 plus lump sum of 0 – 2.5	681	606	19	-

\* Or date of joining if later.

\*\* Or date of leaving if earlier.

\*\*\* Any members affected by the [Public Service Pensions Remedy](#) may have been reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022-23, but are reported in the legacy scheme for the same period in 2023-24.

No pension benefits are provided to the Non-Executive Members.

**NICS Pension Schemes**

Pension benefits are provided through the NICS pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the Classic, Premium, Classic Plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. Transitional protection measures introduced alongside these reforms meant any members who on 1 April 2012 were within 10 years of their normal pension age remained in their previous scheme arrangement (full protection) and those who were between 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2016 or at a later date when determined by their age (tapered protection).

### *McCloud Judgment*

In 2018, the Court of Appeal found that the transitional protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps have been taken by DoF to remedy this discrimination.

DoF has now made regulations which remedy the discrimination by:

- ensuring all active members are treated equally for future service as members of the reformed alpha scheme only from 1 April 2022; and
- providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the remedy period) retrospectively calculated under the current (reformed) scheme rules, or the old (pre-reform) legacy rules which existed before 2015.

This means that all active NICS Pension Scheme members are in the same pension scheme, alpha, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forwards in providing equal pension provision for all scheme members.

DoJ is now implementing the second part of the remedy, which address the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period. i.e. calculated under the pre-reformed PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' rules or alternatively calculated under the reformed alpha rules. As part of this 'retrospective' remedy most active members will now receive a choice about their remedy period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice which will be issued by 31 March 2025.

At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the NICS pension scheme accounts which, once published, are available at <https://www.finance-ni.gov.uk/publications/dof-resource-accounts>

As part of the remedy involves rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of pension benefits may change for affected members and some figures previously reported may change. The 2023-24 pension disclosures above are calculated based on HM Treasury guidance using;

- (a) Rolled back opening balance;
- (b) Rolled back closing balance;
- (c) CETV calculated by CSP on the rolled back basis; and
- (d) No restatement of prior year figures where disclosed.

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of

scheme membership. The current accrual rate is 2.32%.

From 1 April 2015, all new entrants joining the NICS can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

### *Information on the PCSPS(NI) – Closed Scheme*

Staff in post prior to 30 July 2007 were eligible to be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of Premium or joining the Partnership Pension Account.

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Benefits in Classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

### *Partnership Pension Account*

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The scheme pension age is 60 for any pension accrued in the legacy Classic, Premium and Classic Plus arrangements and 65 for any benefits accrued in Nuvos. Further details about the NICS pension schemes can be found at the website [www.finance-ni.gov.uk/civilservicepensions-ni](http://www.finance-ni.gov.uk/civilservicepensions-ni).

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2023 was 6.7% and HM Treasury has announced that public service pensions will be increased accordingly from April 2024.

### Employee contribution rates

For all members the employee contribution rates for the period covering 1 April 2024 to 31 March 2025 are as follows:

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution Rates - all members
From	To	
£0	£26,302.49	4.6%
£26,302.50	£59,849.99	5.45%
£59,850.00	£160,964.99	7.35%
£160,965.00 and above		8.05%

### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may have been due when pension benefits are taken. The Lifetime Allowance will end in April 2024 and will be replaced by the Lump Sum Allowance and The Lump Sum And Death Benefit Allowance.

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes. In their guidance of 27 April 2023, HM Treasury advised that, with immediate effect, the discount rate adopted for calculating CETVs should be in line with the new SCAPE discount rate of 1.7% above CPI inflation, superseding the previous SCAPE discount rate of 2.4% above CPI inflation. All else being the same, a lower SCAPE discount rate leads to higher CETVs. The HM Treasury Guidance of 27 April 2023 can be found at <https://www.gov.uk/government/publications/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes/basis-for-setting-the-discount-rates-for-calculating-cash-equivalent-transfer-values-payable-by-public-service-pension-schemes>.



### ***Real increase in CETV***

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period (which therefore disregards the effect of any changes in factors).

### ***Compensation for loss of office***

There were no compensation benefits paid by NICTS to any senior staff members during the financial year (2022-23: £Nil).

## STAFF REPORT

### Staff costs

Staff costs comprise:

[Audited information]

	Permanently Employed Staff £000	Others £000	2023-24 Total £000	2022-23 Total £000
Wages and salaries	24,807	4,060	28,867	26,711
Social security costs	2,585	-	2,585	2,475
Other pension costs	6,998	-	6,998	6,934
<b>Total net costs</b>	<b>34,390</b>	<b>4,060</b>	<b>38,450</b>	<b>36,120</b>
<b>Of which:</b>				
Charged to Administration	4,282	123	4,405	4,077
Charged to Programme	28,305	3,857	32,162	30,511
Subtotal	<b>32,587</b>	<b>3,980</b>	<b>36,567</b>	<b>34,588</b>
Charged to Capital Projects	1,803	80	1,883	1,532
<b>Total net costs</b>	<b>34,390</b>	<b>4,060</b>	<b>38,450</b>	<b>36,120</b>

The NICS main pension schemes are unfunded multi-employer defined benefit schemes but NICTS is unable to identify its share of the underlying assets and liabilities.

The *Public Service Pensions Act (NI) 2014* provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD in October 2023. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which was applied to the 2020 scheme valuations and included the introduction of a reformed-scheme-only cost control mechanism which assesses just the costs relating to reformed schemes (alpha for the NICS) and introduced an economic check. Prior to the cost control mechanism reforms, legacy scheme (PCSPS(NI)) costs associated with active members were also captured in the mechanism. The reformed-scheme-only design and the economic check were applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The 2020 scheme valuation outcome was that the core cost cap cost of the scheme lies within the 3% cost cap corridor. As there is no breach of the cost control mechanism, there is no requirement for the DoF to consult on changes to the scheme. Further information can be found on the DoF website <https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations>.

For 2023-24, employers' contributions of £7,063,892 were payable to the NICS pension arrangements (2022-23: £7,052,020) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a Partnership Pension Account, a stakeholder pension with an employer contribution. Employers' contributions of £10,037 (2022-23: £9,591) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2022-23: 8% to 14.75%) of pensionable pay.

The Partnership Pension Account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £377; 0.5% (2022-23: £389; 0.5%) of pensionable pay, were payable to the NICS pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the **partnership** pension providers at the reporting period date were £Nil. Contributions prepaid at that date were £Nil.

During 2023-24 2 persons (2022-23: no persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £7,035 (2022-23: £Nil).

### **Judicial office holders**

Judicial office holders were covered by the provisions of the Judicial Pension Schemes (JPS) the terms of which were, until the end of 2021-22, set out in (or in some cases are analogous to) the provisions of two Acts of Parliament, (*Judicial Pensions Act 1981* and *Judicial Pensions and Retirement Act (JUPRA) 1993*), the *Judicial Pensions Regulations 2015* and the *Judicial Pensions Regulations (Northern Ireland) 2015*. From 2022-23 Judicial office holders are covered by the provisions of the *Judicial Pensions Regulations 2022*. The JPS are unfunded public service schemes, providing pensions and related benefits for members of the Judiciary in eligible offices.

The JPS 2015 and Northern Ireland Judicial Pension Scheme (NIJPS) 2015, were introduced on 1 April 2015. These mirror each other and, as far as possible, other public service career average pension schemes. From 1 April 2015 NICTS paid contributions in relation to salaried and excepted fee-paid and devolved salaried Judicial Office Holders sponsored by DoJ.

The Fee-Paid Judicial Pension Scheme, established under the *Judicial Pensions (Fee-Paid Judges) Regulations 2017*, was implemented from 1 April 2017 to deliver the litigation remedy to eligible fee-paid office-holders in the case of *O'Brien v Ministry of Justice (MoJ)* and related litigation, including in Northern Ireland.

Provision for the excepted fee paid judicial office holders' pension entitlement is recognised in the MoJ JPS Accounts. Accordingly, NICTS does not recognise a liability in respect of back payments or the pension liability arising pursuant to O'Brien litigation claims. Consistent with the accounting for salaried judicial office holders, and in accordance with FReM, NICTS accounts for employer contributions payable to the JPS for eligible fee paid judicial office holders as they are incurred.

Provisions have been recognised in these accounts for the liability to fee paid judicial office holders in respect of the Judicial Service Award (JSA) for the period up to the end of 2021-22, as this liability is not covered by the Judicial Pension Schemes and the governing legislation. However, JSA liability for pensionable service from 1 April 2022 onward falls to the new JPS 2022 scheme. Details on the new judicial scheme are set out below.

In order to equalise treatment across the judiciary, all eligible judicial office holders moved into JPS 2022 on 1 April 2022. JPS 2022 is intended to deliver on the commitment the government made to develop a pensions-based solution to the serious recruitment and retention problems identified by the Senior Salaries Review Body (SSRB) in its Major Review of the Judicial Salary Structure, published in 2018.

JPS 2022 is designed to be in line with the Hutton principles for public service pension reform but is also non-registered for tax purposes. The Public Service Pensions and Judicial Offices Act received Royal Assent on 10 March 2022, closing all existing judicial pension schemes for future accrual. The Judicial Pension Regulations 2022 were made on 17 March 2022 and the scheme came into effect on 1 April 2022. The Judicial Pension Regulations 2022 included an amendment to the JPS 2015 regulations which was made to regularise payments from the Consolidated Fund.

The JPS 2022 is an unfunded, career average scheme for both salaried and fee-paid judges. As JPS 2022 is not a tax registered scheme, member contributions do not attract income tax relief. JPS 2022 does not provide an automatic lump sum. However, it is possible for members to commute part of their pension into a lump sum at the rate of £12 for every £1 per annum of pension commuted, subject to HMRC limits. The employer contribution rate during 2023-24 was 51.35%. This comprised the rate of 51.1% recommended by the GAD plus 0.25% of pensionable pay to reflect the cost of scheme administration paid to the MoJ. The new rate from 1 April 2024 will be 62.55%.

JPS 2022 also provides for a surviving adult's pension at a rate of 37.5% of the member's pension.

Further details of associated provisions can be found in Note 16 to the accounts.

### Average number of persons employed

The average number of whole-time equivalent persons employed during the year is set out below. These figures include senior management, staff on secondment or loan into NICTS and agency/temporary staff, but do not include staff on secondment to other organisations.

*[Audited information]*

	Permanently Employed Staff Number	Others Number	2023-24 Total Number	2022-23 Total Number
Court Operations	434	150	584	564
Tribunals and Enforcement	118	33	151	161
Lady Chief Justice's Office	29	1	30	30
Vision 2030	14	4	18	17
Corporate Services	63	5	68	66
Staff engaged on capital projects	31	2	33	24
<b>Total</b>	<b>689</b>	<b>195</b>	<b>884</b>	<b>862</b>

These figures include 28 (2022-23: 34) whole time equivalent staff employed by NICTS to support the HIA Redress Board, an Arm's Length Body (ALB) of The Executive Office (TEO).

There were a further 101 (2022-23: 112) whole time equivalent staff employed by DfC to support TAS which is administered by NICTS.

The majority of staff (88%) are located in frontline service posts in courthouses, tribunal hearing centres, PCNI, EJO or in the CFO.

### Staff composition

The staff composition as at 31 March 2024 in NICTS was as follows (based on headcount):

	<u>Female staff</u>	<u>Male staff</u>	<u>Total staff</u>
Agency Board	2	1	3
Senior Civil Service	3	2	5
Employees	559	384	943

### Number of Senior Civil Service (SCS) staff by band

The breakdown of SCS staff by pay scale is as follows:

	<u>Total staff</u>
Pay Scale 1 - £75,464 to £84,674	4
Pay Scale 2 - £96,722 to £108,118	1
Pay Scale 3 - £124,834 to £142,418	-
Pay Scale 4 - £168,381 to £192,609	-

## Sickness absence

Staff sickness and absence is managed in accordance with the NICS Inefficiency Sickness Absence Policy. Absence levels across DoJ are managed against indicators which are set for each of the agencies and contribute to the overall Departmental target.

Departmental level annual sickness absence figures can be found in the report [Sickness Absence in the Northern Ireland Civil Service 2022/23 | Northern Ireland Statistics and Research Agency \(nisra.gov.uk\)](#).

NICTS had a sickness absence rate of 11.9 days lost per employee in 2022-23. The NICS wide absence figure for 2022-23 was 12.3 average days lost per staff member, representing 5.7% of all available working days. The equivalent figures for DoJ in 2022-23 were 17.9 days or 8.4% of available working days.

Managers at all levels have a critical role in addressing the level of sickness absence. HR business partners proactively engage with Directors, Heads of Divisions, Line Managers and business areas, offering appropriate advice and support to help manage sickness absence, staff wellbeing and potential measures to reduce absence.

Staff in NICTS are supported by both the NICS Welfare Services and the Employee Assistance Programme. Feedback from staff continues to be very positive on the support provided by Welfare Services and the advice and professional counselling services provided by Inspire. All staff who are on long term sickness or any stress related absences are encouraged to contact these services.

Responsibility for recording sickness absence rests with line managers and decisions on the action to be taken, for example the issue of an inefficiency warning, rests with NICS HR working closely with staff and line managers.

## Staff turnover

Based on information provided by NISRA the level of staff turnover was as follows:

	<b>2023-24</b> Turnover %	<b>2022-23</b> Turnover %
NICTS	12.9%	10.0%
General	5.3%	3.0%

The NICTS Staff Turnover percentage is the total number of people that have left NICTS including those who have moved within the NICS. The General Staff Turnover percentage is the people who have left NICTS and have not gone elsewhere in the NICS. This has been calculated by NICS HR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

## Employee Engagement

When launching the 2023 NICS People Survey in April 2023, the Head of the Civil Service issued a message that the frequency of the Survey was changing from yearly to every other year to allow for proper targeting of actions, and therefore a People Survey is not due to take place in 2024.

The 2023 NICS People Survey is the most recent survey and was conducted by NISRA across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey. For DoJ there were 2,157 (2021: 2,323) permanent staff invited to complete the survey, of which 1,030 (2021: 1,075) participated, a response rate of 46.6% (2021: 46%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. DoJ responses indicated an Employee Engagement Index of 54% (2021: 58%), compared to the NICS average of 54% (2021: 57%). The full survey can be accessed at <https://www.finance-ni.gov.uk/publications/nics-people-survey-results>.

## Staff policies and other employee related matters

### *Pay, workforce planning and performance management*

All general service staff in NICTS have been on-boarded to HR Connect. This standardises the use of the performance management module on HR Connect for these staff.

### *Pay policy*

Under the *Civil Service (NI) Order 1999*, DoF is responsible for the pay arrangements of NICS civil servants (apart from those Agencies, non-ministerial Government departments and other bodies with an agreed pay delegation). Current pay scales are available online. The pay award system aims to:

- be a system which will help to recruit, retain and motivate staff to perform efficiently the duties required of them;
- encourage staff to improve their individual performance by providing a direct and regular link between satisfactory performance and pay;
- ensure equity of treatment in respect of pay in accordance with legal requirements and the equal opportunities policy of the NICS;
- secure the confidence of staff that their pay will be determined fairly;
- secure the confidence of the public and their representatives in the system for determining the pay of the staff; and
- enable the Government to reconcile its responsibilities for the control of public expenditure with its responsibilities as an employer.



### *Pensions and early departure costs*

Present and past employees of NICTS are covered by the NICS pension arrangements. NICTS meets the costs of pensions provided for the staff they employ by the payment of charges called Accrued Superannuation Liability Charges. This is charged to the Statement of Comprehensive Net Expenditure (SoCNE) on an accrued basis annually.

NICTS is also required to meet the additional cost of benefits beyond the normal benefits in respect of employees who retire early. NICTS provides in full for this cost, charged against the SoCNE, when an early retirement programme has been announced.

In addition to information contained within the Remuneration and Staff Report, Notes 1.17 and 1.18 to the Accounts provide further detail on how the pension liabilities are calculated.

### *Employment, training and advancement of disabled persons*

The NICS is a lead partner of Employers for Disability NI (EFDNI) and in 2023 was accredited as a [Disability Positive](#) employer.

The NICS delivers an annual programme of communications and training on disability awareness and understanding and has policies in place to support inclusive workplaces. A review of the NICS reasonable adjustment process for in-work support commenced in 2023 and a new reasonable adjustment policy and supporting resources is anticipated to launch during 2024. The NICS Disability Working Group, which includes representatives from the disability sector and colleagues with lived experience is a key stakeholder in the reasonable adjustment policy review.

The NICS is committed to the employment of disabled people and offers work experience for disabled people through the [NICS Work Experience Scheme for Disabled People](#) and annual participation in International Job Shadow Day.

To encourage job applications from disabled people, positive action advertising and targeted advertising alongside a programme of outreach are used. The NICS operates a Guaranteed Interview Scheme which ensures a guaranteed number of disabled applicants, who meet the minimum essential eligibility criteria for the role they have applied for, are offered an interview. Further information can be found on the “Information for disabled applicants” section of the [NICS recruit website](#).

All selection panel members complete mandatory recruitment and selection training, and appointments to the NICS are made on merit on the basis of fair and open competition, adhering to the [Recruitment Code](#).

### *Learning and development*

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

Development and delivery of generic staff training is centralised in NICS HR. Training is delivered using a variety of learning delivery channels (including on-line, webinars), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS Competency Framework.

Talent management is a key theme of the NICS People Strategy and highlights the importance of the development conversation between managers and staff, with a number of resources already available within the existing talent management toolkit.

The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing.

An Operational Support Branch (OSB) Review Team was established within NICTS to evaluate current LoB training within Court Operations Division and in November 2023, a Court Operations Guidance and Training Forum was established. The Forum, which meets quarterly, is chaired by a member of OSB and its membership is comprised of local Training Co-ordinators from across Court Operations Division. The key objective of the Forum is to ensure that all Court Operations staff have the knowledge, skills and resources required for business delivery.

### *Employee consultation and trade union relationships*

DoF is responsible for the NICS Industrial Relations Policy. People and Organisational Development consults on HR policy with all recognised Trade Unions and local arrangements in place to enable consultation on matters specific to NICTS or an individual business area.

### *Staff equality, diversity and inclusion*

The NICS values and welcomes diversity and is committed to creating a truly inclusive workplace for all.

The NICS Diversity Champions Network includes senior colleagues as designated Diversity Champions for each of the nine NICS departments, as well as four thematic leads for gender, race and ethnicity, disability and LGBTQ+. The network alongside the NICS corporate HR function, People and Organisational Development, develops and delivers an annual NICS Diversity Action Plan, which sets out priorities for action by diversity and inclusion theme and cross-cutting priorities.

Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. Further information is available in the [Equality, Diversity and Inclusion Policy](#).

As part of the NICS' efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of data. The statistics are available on the [Northern Ireland Statistics and Research Agency \(NISRA\)'s website](#).

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for Northern Ireland, both of which assess the composition of the NICS workforce and the composition of applicants and appointees. Although not a statutory requirement, the NICS also conducts a similar formal review of the gender profile of its workforce. The findings from both tri-annual reviews are published in the [Workforce Review](#).

The NICS uses the findings of all the equality monitoring and analysis to inform its programme of targeted outreach activity to address any areas of under-representation.

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the department's equality scheme is available on its website [Department of Justice](#).

The NICTS People Strategy includes a range of actions that will help accelerate our ambition of a truly inclusive workforce, which reflects the society we serve.

### Expenditure on consultancy

*[Audited information]*

NICTS did not incur any expenditure on external consultancy in the financial year (2022-23: £Nil).

### Expenditure on temporary staff

These amounts are included in 'Others' within the Staff Costs note in the Staff Report.

Temporary staff are engaged when there is difficulty filling staff headcount, particularly vacancies at the Administrative Officer (AO) grade, and to backfill for permanent staff on temporary promotion while working on projects. The average FTE of temporary staff engaged in 2023-24 was 193 (2022-23: 142, an increase of 51).

Expenditure incurred on temporary staff was as follows:

	<b>2023-24</b>	<b>2022-23</b>
	<b>£000</b>	<b>£000</b>
Charged to Administration	198	178
Charged to Programme	3,862	3,232
<b>Total</b>	<b>4,060</b>	<b>3,410</b>

The average FTE of temporary staff charged to Administration remained at 5. These temporary staff were engaged by Finance and Vision 2030. The main reason for the £20k increase in administration expenditure is more time spent by these staff on Vision 2030.

Of the 188 average FTE temporary staff charged to Programme in 2023-24 (2022-23: 137), 150 were engaged by Court Operations (2022-23: 105, an increase of 45), 33 by Tribunals and Enforcement (2022-23: 29, an increase of 4), 4 by CFO (2022-23: 2, an increase of 2) and 1 by LCJO (no change).

### Off-payroll payments

*[Audited information]*

As required by DAO (DFP) 08/12 Tax Arrangements of Public Sector Appointees and FD (DoF) 02/21, NICTS undertook a review of the arrangements for making payments to individuals engaged by NICTS who are paid fees of £245 or more per day in the financial year and are not on the NICTS payroll. The £245 threshold is set to approximate the minimum point of the pay scale for a SCS. The number of off-payroll engagements is as follows:

Table 1: Temporary off-payroll worker engagements as at 31 March, earning £245 per day or greater:

	2023-24	2022-23
<b>Number of existing engagements as of 31 March</b>	<b>23</b>	<b>24</b>
<i>Of which have existed for:</i>		
Less than one year at time of reporting	-	-
Between one and two years at time of reporting	-	6
Between two and three years at time of reporting	6	-
Between three and four years at time of reporting	-	-
Four or more years at time of reporting	17	18

Table 2: All temporary off-payroll workers engaged at any point during the financial year, earning £245 per day or greater:

	2023-24	2022-23
<b>Number of off-payroll workers engaged during the year ended 31 March</b>	<b>23</b>	<b>24</b>
<i>Of which:</i>		
Not subject to off-payroll legislation	23	24
Subject to off-payroll legislation and determined as in-scope of IR35	-	-
Subject to off-payroll legislation and determined as out-of-scope of IR35	-	-
Number of engagements reassessed for compliance or assurance purposes during the year	-	-
<i>Of which: Number of engagements that saw a change to IR35 status following review</i>	-	-

Table 3: For any off-payroll engagements of board members (and/or senior officials with significant financial responsibility) between 1 April and 31 March:

	2023-24	2022-23
Number of off-payroll engagements of board members (and/or senior officials with significant financial responsibility) during the financial year.	-	-
Total number of individuals on payroll and off-payroll that have been deemed "board members (and/or senior officials with significant financial responsibility)" during the financial year.	3	3
This figure includes both on payroll and off-payroll engagements.		

## Reporting of Civil Service and other compensation schemes - exit packages

[Audited information]

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
< £10,000	-	-	1	2	1	2
£10,000 - £25,000	-	-	-	-	-	-
£25,001 - £50,000	-	-	-	1	-	1
£50,001 - £100,000	-	-	3	-	3	-
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-
<b>Total number of exit packages</b>	-	-	<b>4</b>	<b>3</b>	<b>4</b>	<b>3</b>
<b>Total resource cost £</b>	<b>£Nil</b>	<b>£Nil</b>	<b>£213,467</b>	<b>£33,630</b>	<b>£213,467</b>	<b>£33,630</b>

Redundancy and other departure costs have been paid in accordance with the provisions of the *Civil Service Compensation Scheme (Northern Ireland)*, a statutory scheme made under the *Superannuation (Northern Ireland) Order 1972*. The table above shows the total cost of exit packages agreed and accounted for in 2023-24 and 2022-23. Exit costs of £213,467 were paid in 2023-24, the year of departure (2022-23: £33,630).

Where NICTS has agreed early retirements, the additional costs are met by NICTS and not by the Civil Service pension scheme.

Ill-health retirement costs are met by the pension scheme and are not included in the table.

## ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

### ASSEMBLY ACCOUNTABILITY

#### OTHER ASSEMBLY ACCOUNTABILITY DISCLOSURES

##### Losses and Special Payments

[Audited information]

##### Losses statement

The total value of losses did not exceed £300k (2022-23: did not exceed £250k) and therefore no disclosure is required.

##### Special payments

The total value of special payments did not exceed £300k and therefore no disclosure is required. There were 52 cases in 2022-23 totalling £354k.

There were no individual special payments exceeding £300k (2022-23: no individual special payments exceeded £250k).

##### Fees and charges

[Audited information]

An analysis of income from civil and family court services provided to external and public sector customers is as follows:

	Income £000	Full Cost £000	2023-24 Surplus/ (deficit) £000	Income £000	Full Cost £000	2022-23 Surplus/ (deficit) £000
Civil Business	25,285	(32,539)	(7,254)	24,875	(29,960)	(5,085)

The above information is provided for fees and charges purposes, and not for IFRS 8 *Operating Segments* purposes.

Income and costs shown are in respect of fee earning business and have been accounted for in accordance with *MPMNI*. The costs above are calculated on a full cost basis, and include an allocation of administrative, judicial and overhead costs.

NICTS is committed to achieving full cost recovery for the services it provides in respect of civil court business. The target of full cost recovery takes account of measures in place to protect access to justice, namely the operation of a court fee exemption and remission policy and also the subsidisation of fees in the family and children's arenas. The income for 2023-24 represents 78% of cost recovery (2022-23: 83%).

The total amount of fees within the family and children's arenas which have been subsidised was £545.9k in 2023-24 (2022-23: £486.0k). Applicants in receipt of certain means tested benefits

are entitled to automatic fee exemption. Total fee exemptions during 2023-24 amounted to £54.8k (2022-23: £70.4k). Remission of fees is considered on an individual basis and is granted in cases of hardship. Total fees remitted during 2023-24 amounted to £11.4k (2022-23: £13.0k).

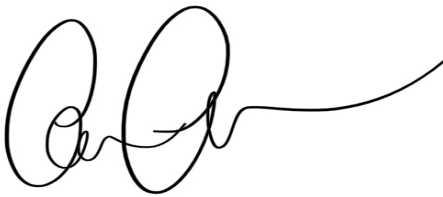
### Remote contingent liabilities

*[Audited information]*

In addition to contingent liabilities reported within the meaning of International Accounting Standard (IAS) 37 *Provisions, Contingent Liabilities and Contingent Assets*, NICTS is required to report liabilities for which the likelihood of economic benefit in settlement is too remote to meet the definition of a contingent liability. NICTS had no significant remote contingent liabilities during 2022-23 that require disclosure.

Note 20 provides further details regarding the contingent liabilities that are included within the financial statements.

## ACCOUNTABILITY REPORT



**Glyn Capper**  
**Accounting Officer**  
**21 June 2024**



## THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

### Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Courts and Tribunals Service for the year ended 31 March 2024 under the *Government Resources and Accounts Act (Northern Ireland) 2001*. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Northern Ireland Courts and Tribunals Service's financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Courts and Tribunals Service's affairs as at 31 March 2024 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

### Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom.' My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Northern Ireland Courts and Tribunals Service in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

## THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (continued)

### Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Northern Ireland Courts and Tribunals Service's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Courts and Tribunals Service's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Northern Ireland Courts and Tribunals Service is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

### Other Information

The other information comprises the information included in the Annual Report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Accounting Officer is responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the *Government Resources and Accounts Act (Northern Ireland) 2001*; and

## THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (continued)

- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception

In the light of the knowledge and understanding of the Northern Ireland Courts and Tribunals Service and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

### Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Northern Ireland Court and Tribunal Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Northern Ireland Courts and Tribunals Service will not continue to be provided in the future.

## THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (continued)

### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the *Government Resources and Accounts Act (Northern Ireland) 2001*.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Courts and Tribunals Service through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the *Government Resources and Accounts Act (Northern Ireland) 2001*;
- making enquires of management and those charged with governance on the Northern Ireland Courts and Tribunals Service's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Northern Ireland Courts and Tribunals Service's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;

**THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY (continued)**

- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate, testing of journal entries, discussing regularity with management, reading internal audit reports, and review of legal provisions. With regard to revenue recognition, our procedures included testing the design and implementation of relevant controls in place, testing the process through which management have identified and quantified any income that needs to be accrued or deferred, evaluating accounting policies relating to revenue recognition and performing tests of detail in relation to revenue cut-off;
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

**Report**

I have no observations to make on these financial statements.



**Dorinnia Carville**  
**Comptroller and Auditor General**  
Northern Ireland Audit Office  
106 University Street  
BELFAST  
BT7 1EU  
**01 July 2024**

## PART 3 - FINANCIAL STATEMENTS

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2024

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which includes changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2023-24 £000	2022-23 £000
Revenue from contracts with customers	6.1	(36,077)	(37,195)
Other operating income	6.2	(675)	(700)
<b>Total operating income</b>		<b>(36,752)</b>	<b>(37,895)</b>
Staff costs	4, 5	36,567	34,588
Purchase of goods and services	4, 5	58,063	58,522
Depreciation and impairment charges	4, 5	10,615	8,795
Provisions expense	5	663	(222)
<b>Total operating expenditure</b>		<b>105,908</b>	<b>101,683</b>
<b>Net operating expenditure</b>		<b>69,156</b>	<b>63,788</b>
Finance expense	4, 5	536	522
<b>Net expenditure for the year before notional charges</b>		<b>69,692</b>	<b>64,310</b>
Audit notional charges		134	128
Other notional charges		1,312	1,364
<b>Total notional charges</b>		<b>1,446</b>	<b>1,492</b>
<b>Net expenditure for the year after notional charges</b>		<b>71,138</b>	<b>65,802</b>
<b>Other comprehensive net expenditure</b>			
Items that will not be reclassified to net operating expenditure:			
- net (gain)/loss on revaluation of property, plant and equipment	8	(25,039)	(13,748)
- net (gain)/loss on revaluation of intangibles	9	(259)	(256)
- actuarial (gain)/loss on pension liability	16	25	(235)
<b>Total other comprehensive net expenditure for the year</b>		<b>(25,273)</b>	<b>(14,239)</b>
<b>Comprehensive net expenditure for the year</b>		<b>45,865</b>	<b>51,563</b>

All income and expenditure is derived from continuing operations.

The notes on pages 80 to 119 form part of these accounts.

## STATEMENT OF FINANCIAL POSITION

### as at 31 March 2024

This statement presents the financial position of NICTS. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

		2024	2023
	Note	£000	restated £000
<b>Non-current assets</b>			
Property, plant and equipment	8	237,764	220,186
Intangible assets	9	7,245	5,684
<b>Total non-current assets</b>		<b>245,009</b>	<b>225,870</b>
<b>Current assets</b>			
Assets classified as held for sale	12	60	60
Trade and other receivables	14	5,009	6,624
Contract assets	14	977	941
Cash and cash equivalents	13	2,838	2,419
<b>Total current assets</b>		<b>8,884</b>	<b>10,044</b>
<b>Total assets</b>		<b>253,893</b>	<b>235,914</b>
<b>Current liabilities</b>			
Trade and other payables	15	(22,146)	(19,261)
Contract liabilities	15	(5,309)	(5,263)
Provisions	16	(1,850)	(1,318)
<b>Total current liabilities</b>		<b>(29,305)</b>	<b>(25,842)</b>
<b>Total assets less current liabilities</b>		<b>224,588</b>	<b>210,072</b>
<b>Non-current liabilities</b>			
Provisions	16	(3,973)	(4,083)
Other payables	15	(4,476)	(6,567)
<b>Total non-current liabilities</b>		<b>(8,449)</b>	<b>(10,650)</b>
<b>Total assets less total liabilities</b>		<b>216,139</b>	<b>199,422</b>
<b>Taxpayers' equity and other reserves</b>			
General fund		48,304	51,192
Revaluation reserve		167,835	148,230
<b>Total equity</b>		<b>216,139</b>	<b>199,422</b>



**Glyn Capper**  
Accounting Officer  
21 June 2024

The notes on pages 80 to 119 form part of these accounts.



## STATEMENT OF CASH FLOWS

### for the year ended 31 March 2024

This statement shows the changes in cash and cash equivalents of NICTS during the reporting period. It shows how NICTS generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by NICTS. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to future public service delivery.

	Note	2023-24 £000	2022-23 £000
<b>Cash flows from operating activities</b>			
Net expenditure for the year		(71,138)	(65,802)
Adjustment for non-cash transactions	3.2	12,831	10,055
Increase/(decrease) in trade and other receivables	14	1,579	(340)
<i>Movement in receivables relating to items not passing through the SoCNE</i>		6	31
Increase/(decrease) in trade and other payables	15	222	2,379
<i>Movement in payables relating to items not passing through the SoCNE</i>		2,944	494
Use of provisions	16	(377)	(711)
<b>Net cash outflow from operating activities</b>		<b>(53,933)</b>	<b>(53,894)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(2,411)	(2,548)
Purchase of intangible assets		(2,887)	(2,502)
<b>Net cash outflow from investing activities</b>		<b>(5,298)</b>	<b>(5,050)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) - current year		50,825	50,782
From the Consolidated Fund (non-Supply)		10,311	9,739
Capital element of payments in respect of leases and on-balance sheet (SoFP) PFI contracts		(2,095)	(1,809)
<b>Net financing</b>		<b>59,041</b>	<b>58,712</b>
<b>Net decrease in cash and cash equivalents in the period before adjustment for receipts and payments to NICF</b>		<b>(190)</b>	<b>(232)</b>
Receipts due to NICF which are outside scope of NICTS' activities		39	17
Payments of amounts due to NICF		(48)	(8)
<b>Net decrease in cash and cash equivalents in the period after adjustment for receipts and payments to NICF</b>		<b>(199)</b>	<b>(223)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	13	<b>1,672</b>	<b>1,895</b>
<b>Cash and cash equivalents at the end of the period</b>	13	<b>1,473</b>	<b>1,672</b>

The notes on pages 80 to 119 form part of these accounts.

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended 31 March 2024

This statement shows the movement in the year on the different reserves held by NICTS, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
<b>Balance at 31 March 2022</b>		<b>49,875</b>	<b>139,097</b>	<b>188,972</b>
Net Assembly Funding - drawn down		50,782	-	<b>50,782</b>
Consolidated Fund Standing Services	5, 16	9,739	-	<b>9,739</b>
Comprehensive net expenditure for the year		(65,567)	14,004	<b>(51,563)</b>
Auditor's remuneration	3.1	128	-	<b>128</b>
Other notional charges	3.1	1,364	-	<b>1,364</b>
Transfer between reserves		4,871	(4,871)	-
<b>Balance at 31 March 2023</b>		<b>51,192</b>	<b>148,230</b>	<b>199,422</b>
Net Assembly Funding - drawn down		50,825	-	<b>50,825</b>
Consolidated Fund Standing Services	5, 16	10,311	-	<b>10,311</b>
Comprehensive net expenditure for the year		(71,163)	25,298	<b>(45,865)</b>
Auditor's remuneration	3.1	134	-	<b>134</b>
Other notional charges	3.1	1,312	-	<b>1,312</b>
Transfer between reserves		5,693	(5,693)	-
<b>Balance at 31 March 2024</b>		<b>48,304</b>	<b>167,835</b>	<b>216,139</b>

The notes on pages 80 to 119 form part of these accounts.

## NOTES TO THE ACCOUNTS

### 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2023-24 FReM issued by DoF with directions given in pursuance of the Government Resources and Accounts Act (Northern Ireland) 2001. The accounting policies contained in the FReM apply IFRS as adapted or interpreted for the public sector context.

Where FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of NICTS for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. They have been applied consistently in the year and preceding year in dealing with items considered material to the accounts, unless otherwise stated.

#### 1.01 Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets and certain financial assets and liabilities.

The accounts are stated in sterling, which is the NICTS functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling (£000).

#### 1.02 Accounting boundary

These accounts incorporate the core activity of NICTS.

The funds invested by CFO are specifically excluded from the NICTS accounts, following DoF guidance. Third party monies are similarly excluded. The funds held on behalf of third parties by the CFO are included in Note 22. Financial information about the CFO may be obtained from their separately published annual accounts.

Details of income collected as an agent for the NICF will be disclosed in the NICTS Trust Statement which is published separately from these financial statements.

#### 1.03 Property, plant and equipment

NICTS holds title to the land and buildings shown in the accounts with the exception of Laganside Courts Complex which is leased under a PFI contract (see Notes 8 and 18).

NICTS also occupies properties within the Northern Ireland Executive Estate. These are owned and/or managed by DoF and are excluded from these Accounts. The costs of occupancy of such properties are recovered on a notional basis from NICTS by DoF. Terms of occupancy of these buildings are outlined in an agreement known as the 'Memorandum of Terms of Occupancy.'

The property, plant and equipment note requires the amalgamation of asset categories under the plant and machinery heading. The asset categories represented by the plant and machinery heading include:

- plant and machinery;
- furniture and fittings;
- office equipment;
- security equipment; and
- antiques.

#### 1.04 Valuation of property, plant and equipment

Expenditure on property, plant and equipment of over £1,000 is capitalised in line with the NICTS capitalisation policy.

On initial recognition property, plant and equipment are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as 'under construction' are recognised in the SoFP to the extent that money has been paid or a liability has been incurred.

All property, plant and equipment is carried at fair value.

Professional valuations of land and buildings are carried out independently by Land and Property Services (LPS) within DoF. Land and buildings are carried at the last professional valuation, in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Institute of Revenues Rating and Valuation and the Incorporated Society of Valuers and Auctioneers. Land and buildings are restated to current value using professional valuations, in accordance with IAS 16, every five years and in the intervening years by the use of indices provided by LPS, specific to the Northern Ireland property sector. The last full valuation was carried out at 31 March 2024.

Land has been included in the accounts on the basis of open market value for existing use. Properties regarded as operational are valued on the basis of existing use, unless there is no market for the property or they are deemed to be specialised (e.g. courthouses), in which case they are valued on a depreciated replacement cost basis.

Land and buildings that are non-operational or surplus assets are valued on the basis of open market value less any directly attributable selling costs.

Antiques held by NICTS are included in the plant and equipment classification and are professionally valued every five years. The valuation was carried out at 31 March 2024 by Ross's Auctioneers Limited (a member of the Irish Auctioneers and Valuers Institute).

All other property, plant and equipment is revalued annually using appropriate indices provided by the Office for National Statistics (ONS).

Upward revaluations are credited to the Revaluation Reserve and downward revaluations are debited to the Revaluation Reserve to the extent that upward revaluations have previously been credited for the same asset, with any excess downward revaluation charged to the SoCNE.

## 1.05 Intangible assets

Expenditure on intangible assets consists of licences and software.

Expenditure on computer software licences lasting more than one year and costing more than £1,000 is capitalised and classified as intangible assets. Software licences are amortised over the shorter of the term of the licence and the useful economic life.

Expenditure of over £1,000 on intangible assets is capitalised in line with the NICTS capitalisation policy.

All intangible assets are carried at depreciated replacement cost and revalued annually using appropriate indices provided by the ONS.

## 1.06 Depreciation and amortisation

All property, plant and equipment and intangible assets are depreciated or amortised at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives.

Land is not depreciated since it has an unlimited or very long estimated useful life. Assets in the course of construction are depreciated from the point when the asset is brought into use.

Estimated useful lives are normally in the following ranges:

Asset category		Estimated useful life
Land	Freehold	Not depreciated
	Leasehold	Not depreciated
Buildings	Freehold	20 - 83 years
	Leasehold	Period of lease
Plant and machinery	Furniture and fittings	10 years
	Office machinery and equipment	5 years
	Antiques (non-operational)	Not depreciated
Information technology	Computer hardware	3 - 7 years
	Telecoms and networks	3 - 7 years
Assets under construction		Not depreciated
Intangible assets	Software licences	3 - 7 years
	Software	3 - 7 years

Additions to assets are depreciated/amortised from the month of acquisition. Disposals from assets are not depreciated/amortised in the month of disposal.

## 1.07 Realised element of depreciation from Revaluation Reserve

Depreciation is charged to expenditure on the revalued amount of property, plant and equipment. An element of depreciation therefore arises due to the increase in valuation and is in excess of the depreciation that would be charged on the historical cost of assets. The amount relating to this excess is a realised gain on disposal and is transferred from the Revaluation Reserve to the General Fund.

## 1.08 Financial instruments

### Recognition and de-recognition of financial assets and financial liabilities

IFRS 9 *Financial Instruments* requires the recognition of a financial asset or financial liability in the SoFP when NICTS becomes a party to the contractual provisions of the instrument. They are measured initially at fair value and transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to, or deducted from, the fair value as appropriate on initial recognition.

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognised when NICTS becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when NICTS no longer has rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

### Financial assets

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term (held for trading) or if so, designated by management. Financial assets held in this category are initially recognised and subsequently measured at fair value, with changes in value recognised in the income statement in the line which most appropriately reflects the nature of the item or transaction.

NICTS has financial assets in the form of trade receivables and cash and cash equivalents.

### Trade and other receivables

Financial assets within trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount and subsequently carried at amortised cost using the effective interest rate method less provisions for doubtful receivables. Trade receivables are usually due for settlement within 30 days. Provisions for doubtful receivables are made specifically where there is objective evidence of a dispute or inability to pay.

### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents are as defined above net of outstanding bank overdrafts.

### Impairment of financial assets

NICTS always recognises lifetime expected credit losses for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

Impairment gains or losses are recognised when the rights to receive cash flows have expired or have been transferred and NICTS has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### ***Derecognition of financial assets***

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and NICTS has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

## **Financial liabilities**

### ***Trade and other payables***

Financial liabilities within trade and other payables are initially recognised at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest rate method.

### ***Derecognition of financial liabilities***

NICTS derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the SoCNE.

## **1.09 Assets classified as held for sale**

Assets are classified as held for sale if their carrying amount will be recovered through sale rather than continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale and it should be expected to be completed within one year from the date of classification.

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Depreciation is not charged once an asset has been classified as held for sale.

## **1.10 Inventory**

There was no inventory held in 2023-24. Inventory of consumable stores held by NICTS are not considered material and are written off in the SoCNE as they are purchased.

Assets seized by the EJO are not included in inventories on the basis that they are not owned by NICTS, but are held for resale in settlement of third party creditors. Third party assets held by the EJO at the year end are disclosed in Note 22 (Third Party Assets).



## 1.11 Value Added Tax (VAT)

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

## 1.12 Leases

In 2022-23 NICTS adopted the new leasing standard, IFRS 16 for the first time, introducing a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases (apart from the exemptions listed below).

### Scope and exclusions

At inception of a contract, NICTS assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time. To assess whether a contract conveys the right to control the use of an identified asset, NICTS assesses whether:

- the contract involves the use of an identified asset;
- NICTS has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and
- NICTS has the right to direct how and for what purpose the asset is used for.

IFRS 16 has also been applied to leases with nil or nominal consideration, for example peppercorn leases, defined as lease payments significantly below market value. These assets are measured at current value in use or fair value on initial recognition.

When making the above assessments NICTS excludes two types of leases:

- low value assets, with an assessment performed on the underlying asset when new (these are determined to be in line with capitalisation thresholds); and
- leases with a lease term of 12 months or less.

### NICTS as a lessee

At the commencement of a lease NICTS recognises a right of use asset and a lease liability.

#### *Right of use assets*

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease. The right of use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets.

The right of use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis of those of

property, plant and equipment assets.

NICTS applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account for any impairment loss identified.

### **Lease liabilities**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HM Treasury (3.51% for leases recognised in 2023, 4.72% for those in 2024).

The lease payment is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in NICTS's estimates of the amount expected to be payable under a residual value guarantee, or if NICTS changes its assessment of whether it will exercise a purchase, extension or termination option.

### **NICTS as lessor**

Where NICTS acts as a lessor, the arrangement will be assessed to determine whether it constitutes a finance lease, this being where the risks and rewards incidental to ownership of an underlying asset are substantially transferred to the lessee. For these leases the asset is derecognised, and a receivable is recognised, with accrued interest being treated as income over its life. All other leases are treated as operating leases and rental income is recognised in the SoCNE on a straight-line basis.

## **1.13 Public Private Partnership (PPP)/Public Finance Initiatives (PFI) transactions**

DoF has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure, and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of the International Financial Reporting Interpretations Committee Update (IFRIC 12 Service Concession Arrangements). NICTS therefore recognises the PFI asset as a non-current asset together with an equivalent PFI liability measured in alignment with the principles of IFRS 16 from 1 April 2023 as mandated by the FReM.

Contract payments are apportioned between an imputed finance lease charge and a service charge. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- payment for the fair value of services received;
- payment for the PFI assets, including replacement of components; and
- payment for finance (interest costs).

## Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within Note 5 (Programme costs).

## PFI assets

The PFI assets are recognised as property, plant and equipment when they come into use. The assets are measured initially at fair value in accordance with the principles of IFRS 16 *Leases*. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with NICTS' approach for each relevant class of asset in accordance with the principles of IAS 16.

## PFI liabilities and finance costs

A PFI liability equal to the capital value of the contract is recognised at the same time as the PFI assets are recognised. This does not include service elements and interest charges within the PFI contract which are expensed in accordance with IFRIC 12 as adapted and interpreted by the FReM.

An annual finance cost is calculated by applying the 'sum of digits' methodology to the anticipated total interest due over the life of the contract. This is charged to 'Operating expenditure' within SoCNE.

An element of the annual unitary payment is therefore allocated as a financing cost when repaying the PFI liability over the life of the contract.

Where there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the entity remeasures the PFI liability to reflect those revised payments only when there is a change in the cash flows (i.e. when the adjustment to the payments takes effect). The entity shall determine the revised payments for the remainder of the PFI arrangement based on the revised contractual payments.

Given this represents a change in the measurement basis of the PFI liability as at 1 April 2023, PFI liabilities should be initially remeasured as at 1 April 2023 to include all the index linked changes relating to the capital element of the contract which would have taken place since the arrangement commenced. Remeasurement would be applied using a cumulative catch up approach by which the cumulative effect of the change in measurement of the PFI liability is recognised as an adjustment to the opening balance of retained earnings (or other component of equity as appropriate). Subsequent remeasurement of the PFI liability will occur when cashflows change in response to indexation linked changes and will be expensed to the SOCNE.

NICTS on carrying out a comprehensive review of the existing PFI arrangements to consider IFRS 16 implications has determined that the impact of indexation changes has already been factored into the closing liabilities and therefore no remeasurement has been deemed necessary in the reporting period 2023-24.

Further details of current on-going agreements are shown in Note 18.

## 1.14 Provisions

Provision is made for legal or constructive obligations, which are of uncertain timing or amount at the reporting date, on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the general provision discount rates as set out by HM Treasury which varies by the term of the liability, as shown in the table below.

Rate	Nominal Rate
Short-term	4.26%
Medium-term	4.03%
Long-term	4.72%
Very long-term	4.40%

Further details on provisions are contained in Note 16.

## 1.15 Contingent liabilities

In accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, NICTS discloses as contingent liabilities potential future obligations arising from past obligating events where the existence of such obligations remain uncertain pending the outcome of future events outside the control of NICTS, unless their likelihood is considered to be remote.

In addition, NICTS discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of *MPMNI*.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

Further details of contingent liabilities are contained within Note 20.

## 1.16 Third party assets

Third party assets are assets for which NICTS acts as custodian or trustee, but in which neither NICTS nor public sector more generally has a direct beneficial interest. Third party assets are not public assets, and hence are not recorded in the primary financial statements.

In the interests of general disclosure and transparency, details of NICTS third party assets are provided in Note 22.

## 1.17 Employee benefits

Under the requirements of IAS 19 *Employee Benefits*, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the costs of any untaken leave as at the reporting date. NICTS has recognised both annual and flexi leave entitlements that have been earned by the year end but not taken. The cost of untaken leave has been included in the Staff Costs.

### 1.18 Pension costs

Past and present employees of NICTS are covered by the provisions of the NICS pension arrangements, which are unfunded defined benefit schemes and are non-contributory, except in respect of dependents' benefits.

NICTS recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the NICS pension arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the NICS pension arrangements. In respect of defined contribution schemes, NICTS recognises the contributions payable for the year.

Further details regarding the above schemes are contained in the Staff Report.

### 1.19 Early departure costs

NICTS is required to meet the additional cost of benefits beyond the normal NICS pension arrangements in respect of employees who retire early by paying the required amounts annually to the NICS pension arrangements over the period between early departure and normal retirement age. NICTS provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments.

### 1.20 Administration and programme analysis

The SoCNE is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs under the administrative cost control regime set by DoF. Broadly, administration expenditure reflects the costs of running NICTS and includes expenditure on administrative staff and associated costs including accommodation, information technology, communications and office supplies. Programme costs relate directly to service delivery activities for operating, managing and maintaining the courts and tribunals.

### 1.21 Notional charges

Notional charges, in respect of services received from other Government departments and agencies, are included to reflect the full economic cost of services.

### 1.22 Revenue recognition

In accordance with IFRS 15 *Revenue from Contracts with Customers* NICTS recognises income as follows:

#### *Financing*

NICTS is primarily resourced by funds approved by the Assembly through the annual Supply process. Resources are drawn down each month to meet expenditure requirements and are credited to the General Fund. In addition, NICTS is financed by non-supply funding from the NICF in respect of the costs relating to Judicial Salaries.

### ***Revenue from contracts with customers***

Revenue is recognised at an amount that reflects the consideration to which NICTS is expected to receive, or has already received, in exchange for transferring goods or services to a customer. For each contract with a customer, revenue is recognised when NICTS' performance obligations in the contract have been met. Where a performance obligation has not been met, or is expected to be met at a point in the future, this is recognised as a contract liability within Payables (Note 15). Where revenue is expected based on performance obligations being met by NICTS, this is recognised as a contract asset within Receivables (Note 14).

### ***Fees, levies and charges***

This principally comprises fees and charges for services provided on a full cost basis to external customers. Revenue from fees, levies and charges is recognised over time as the services are rendered, based on either a fixed price or an agreed rate.

Further details are contained in Note 2 (Statement of Operating Expenditure by Operating Segment).

### ***Rendering of services***

Revenue from a contract to provide services is recognised over time as the services are rendered, based on actual costs incurred and, in some instances, plus an additional management fee.

### ***Other revenue from contracts***

Revenue is recognised when NICTS has met its performance obligations and the right to receive a payment has been established.

### ***Other operating income***

Other operating income includes other non-trading income for which no associated goods or service has been provided, or it is unrelated to NICTS' ordinary business activities, for example court facility rental payments and capital grant income. This is recognised when income is received, or when the right to receive payment is established.

### ***Consolidated Fund Extra Receipts (CFERs)***

CFERs which do not fall to be treated as operating income are payable directly to the Consolidated Fund. These amounts comprise sundry receipts which have not been incorporated into the Estimate due to their irregular nature and/or uncertainty of receipt.

Fines income received by NICTS is not treated as income for the purposes of these accounts. All fines income is recorded in the NICTS Trust Statement and is payable to the NICF via DoJ as CFERs. An analysis of fines collected is detailed within Note 7.

## **1.23 Segmental reporting**

Under the requirements of IFRS 8 *Operating Segments*, NICTS must disclose information to enable users of the financial statements to evaluate the nature and financial effects of the business in which it engages and the economic environment in which it operates.

'Total Assets' are only required to be disclosed in reporting segments where total assets for segments are regularly reported to the Chief Operating Decision Maker. As total assets for segments are not regularly reported to the Chief Operating Decision Maker NICTS has adopted this amendment. The amendment does not have a material impact on the NICTS financial statements.

Full details of the reporting segments are contained within Note 2.

#### **1.24 Critical accounting estimates and key judgements**

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying NICTS' accounting policies. NICTS continually evaluates its estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts are discussed below.

##### ***(i) Depreciation of property, plant and equipment and amortisation of intangible assets***

Depreciation and amortisation is provided in the accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 1.06.

##### ***(ii) Revaluation of property, plant and equipment and intangibles***

Where property, plant and equipment have been revalued in accordance with IAS 16, a number of assumptions and judgements have been used to estimate the valuations.

##### ***(iii) Judicial Service Awards (JSA) – Salaried Judicial Office Holders and Fee Paid Office Holders***

NICTS accounts for pension and other post-retirement benefits in accordance with IAS 19 *Employee Benefits*. In determining the pension cost and the defined benefit obligation of the pension schemes a number of assumptions are used which include the discount rate, salary growth, price inflation and mortality rates.

The fee paid office holders JSA provision relates to fee paid office holders' employment terms and conditions that are subject to an additional degree of uncertainty as they are calculated using assumptions, some of which are subject to ongoing litigation. Further details on the pension provision are contained in Note 16.2.

##### ***(iv) Contract liabilities and deferred income***

NICTS' deferred income is accounted for as Contract Liabilities in accordance with IFRS 15. Fee revenue is recognised in the accounting period in which NICTS' performance obligations are deemed to have been met. Any fee income received prior to full performance obligations being met is treated as a contract liability. The calculation of the liability is based on estimates of the time taken to dispose of cases (within High Court, County Court and Magistrates' Court) and the



duration of enforcement activity (within EJO). Average time statistics for the different case types are obtained annually.

### **(v) Contingent liabilities**

NICTS have a number of contingent liabilities relating to the potential outcomes of ongoing legal cases. While the outcomes remain uncertain, the calculation of potential impacts on NICTS will be subject to a number of different estimates and assumptions. Further details on the contingent liabilities are contained in Note 20.

Other than as noted above, no material accounting estimates or judgements were made by NICTS in preparing these accounts.

### **1.25 Accounting standards, amendments, interpretations or other updates that were issued and effective for the 2023-24 financial year**

NICTS has considered those new Standards, interpretations and amendments to existing Standards which have been published and are mandatory for the NICTS accounting periods beginning on or after 1 April 2023 or later periods, but which NICTS has not adopted. NICTS considers that these are either not relevant or material to its operations.

### **1.26 Accounting standards, interpretations and amendments to published Standards not yet effective**

<b>Standard</b>	IFRS 18 Presentation and Disclosure in Financial Statements
<b>Effective date</b>	January 2027
<b>FReM application</b>	Not before 2027-28
<b>Description of revision</b>	IFRS 18 Presentation and Disclosure in Financial Statements was issued in April 2024, replacing IAS 1 Presentation of Financial Statements, and is effective for accounting periods beginning on or after 1 January 2027.
<b>Comments</b>	IFRS 18 will be implemented, as interpreted and adapted for the public sector if required, from a future date (not before 2027-28) that will be determined by the UK Financial Reporting Advisory Board in conjunction with HM Treasury following analysis of this new standard.

### **1.27 Financial reporting - future developments**

NICTS has considered the accounting initiatives identified by HM Treasury and DoF covering potential changes and projects where standards, amendments or interpretations are in development. NICTS considers that these changes are either not relevant or material to its operations.

### **1.28 Prior period adjustment**

There were no prior period adjustments in the financial year.

## 2. Statement of Operating Expenditure by Operating Segment

The following operating segments are reported to senior managers for financial management purposes:

- Court Operations;
- Tribunals and Enforcement;
- Lady Chief Justice's Office;
- Vision 2030; and
- Corporate Services.

The NICTS operating segments are determined by the services provided both to external and internal customers.

	<b>Court Operations</b>	<b>Tribunals and Enforcement</b>	<b>Lady Chief Justice's Office</b>	<b>Vision 2030</b>	<b>Corporate Services</b>	<b>2023-24 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Gross expenditure	63,147	18,303	17,070	3,709	5,661	<b>107,890</b>
Income	(22,619)	(13,299)	-	(23)	(811)	<b>(36,752)</b>
<b>Net expenditure</b>	<b>40,528</b>	<b>5,004</b>	<b>17,070</b>	<b>3,686</b>	<b>4,850</b>	<b>71,138</b>
	<b>Court Operations</b>	<b>Tribunals and Enforcement</b>	<b>Lady Chief Justice's Office</b>	<b>Vision 2030</b>	<b>Corporate Services</b>	<b>2022-23 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Gross expenditure	60,802	18,860	15,300	3,030	5,705	<b>103,697</b>
Income	(23,063)	(14,002)	-	(21)	(809)	<b>(37,895)</b>
<b>Net expenditure</b>	<b>37,739</b>	<b>4,858</b>	<b>15,300</b>	<b>3,009</b>	<b>4,896</b>	<b>65,802</b>

### 3.1 Summary of operating income and expenditure

	Note	Administration £000	Programme £000	2023-24 Total £000
Revenue from contracts with customers	6.1	(174)	(35,903)	(36,077)
Other operating income	6.2	-	(675)	(675)
<b>Total operating income</b>		<b>(174)</b>	<b>(36,578)</b>	<b>(36,752)</b>
Staff costs	4, 5	4,405	32,162	36,567
Purchase of goods and services	4, 5	1,322	56,741	58,063
Depreciation and impairment charges	4, 5	2,098	8,517	10,615
Provisions expense	5	-	663	663
<b>Total operating expenditure</b>		<b>7,825</b>	<b>98,083</b>	<b>105,908</b>
<b>Net operating expenditure</b>		<b>7,651</b>	<b>61,505</b>	<b>69,156</b>
Finance expense	4, 5	7	529	536
<b>Net expenditure before notionals</b>		<b>7,658</b>	<b>62,034</b>	<b>69,692</b>
Audit notional charges		94	40	134
Other notional charges		468	844	1,312
<b>Total notional charges</b>		<b>562</b>	<b>884</b>	<b>1,446</b>
<b>Net expenditure for the year including notional charges</b>		<b>8,220</b>	<b>62,918</b>	<b>71,138</b>
	Note	Administration £000	Programme £000	2022-23 Total £000
Revenue from contracts with customers	6.1	(165)	(37,030)	(37,195)
Other operating income	6.2	-	(700)	(700)
<b>Total operating income</b>		<b>(165)</b>	<b>(37,730)</b>	<b>(37,895)</b>
Staff costs	4, 5	4,077	30,511	34,588
Purchase of goods and services	4, 5	2,501	56,021	58,522
Depreciation and impairment charges	4, 5	1,250	7,545	8,795
Provisions expense	5	-	(222)	(222)
<b>Total operating expenditure</b>		<b>7,828</b>	<b>93,855</b>	<b>101,683</b>
<b>Net operating expenditure</b>		<b>7,663</b>	<b>56,125</b>	<b>63,788</b>
Finance expense	4, 5	1	521	522
<b>Net expenditure before notionals</b>		<b>7,664</b>	<b>56,646</b>	<b>64,310</b>
Audit notional charges		106	22	128
Other notional charges		396	968	1,364
<b>Total notional charges</b>		<b>502</b>	<b>990</b>	<b>1,492</b>
<b>Net expenditure for the year including notional charges</b>		<b>8,166</b>	<b>57,636</b>	<b>65,802</b>

### 3.2 Non-cash costs

	Note	Administration £000	Programme £000	2023-24 Total £000
Purchase of goods and services	5	-	(4)	(4)
Notional charges	3.1	562	884	1,446
Depreciation and impairment charges	4, 5	2,098	8,517	10,615
Provisions expense	5	-	663	663
Finance expense	5	-	111	111
<b>Total non-cash costs</b>		<b>2,660</b>	<b>10,171</b>	<b>12,831</b>

	Note	Administration £000	Programme £000	2022-23 Total £000
Purchase of goods and services	4, 5	-	(31)	(31)
Notional charges	3.1	502	990	1,492
Depreciation and impairment charges	4, 5	1,250	7,545	8,795
Provisions expense	5	-	(222)	(222)
Finance expense	5	-	21	21
<b>Total non-cash costs</b>		<b>1,752</b>	<b>8,303</b>	<b>10,055</b>

#### 4. Other administration expenditure

	Note	2023-24 £000	2022-23 £000
<b>Staff costs*</b>			
Wages and salaries		3,166	2,879
Social security costs		340	322
Other pension costs		899	876
		<b>4,405</b>	<b>4,077</b>
<b>Purchase of goods and services</b>			
<b>Cash items:</b>			
Accommodation costs		53	49
Office services		47	53
Consumables and equipment costs		7	5
Contracted out and managed services		544	519
Professional and consultancy services		292	699
Staff related costs		68	86
Other costs		291	1,075
Commission and tribunal costs		20	15
		<b>1,322</b>	<b>2,501</b>
<b>Non-cash items:</b>			
Loss on disposal of non-current assets	8, 9	-	-
		-	-
		<b>1,322</b>	<b>2,501</b>
<b>Total purchase of goods and services</b>		<b>1,322</b>	<b>2,501</b>
<b>Depreciation and impairment charges</b>			
Depreciation	8	962	754
Amortisation	9	1,136	515
Revaluation released to SoCNE	8, 9	-	(19)
		<b>2,098</b>	<b>1,250</b>
<b>Total administration operating expenditure</b>		<b>7,825</b>	<b>7,828</b>
<b>Finance expense</b>			
Interest payable and similar charges		7	1
<b>Total administration expenditure before notional charges</b>		<b>7,832</b>	<b>7,829</b>

\* Further analysis of Staff costs is located in the Staff Report within the Accountability Report.

## 5. Programme expenditure

	Note	2023-24 £000	2022-23 £000
<b>Staff costs*</b>			
Wages and salaries		24,372	22,754
Social security costs		2,098	2,027
Other pension costs		5,692	5,730
		<b>32,162</b>	<b>30,511</b>
<b>Purchase of goods and services</b>			
<b>Cash items:</b>			
Accommodation costs		5,409	5,731
Office services		1,136	1,075
Consumables and equipment costs		42	30
Contracted out and managed services		11,429	10,545
Professional and consultancy services		2,046	2,289
Out		612	556
Rentals under operating leases		-	26
Staff related costs		280	216
Other costs		207	206
Commission and tribunal costs		11,275	11,727
PFI service charges		2,986	3,353
Judicial costs		11,151	10,803
Judicial costs - Consolidated Fund		10,172	9,495
		<b>56,745</b>	<b>56,052</b>
<b>Non-cash items:</b>			
Loss on disposal of non-current assets	8, 9	2	-
Other non-cash items		(6)	(31)
		<b>(4)</b>	<b>(31)</b>
		<b>56,741</b>	<b>56,021</b>
<b>Total purchase of goods and services</b>			
<b>Depreciation and impairment charges</b>			
Depreciation	8	8,252	7,438
Amortisation	9	283	109
Revaluation released to SoCNE	8, 9	(18)	(2)
		<b>8,517</b>	<b>7,545</b>
<b>Provisions expense</b>			
Provided in year	16	799	489
Written back in year	16	(136)	(711)
		<b>663</b>	<b>(222)</b>
<b>Total programme operating expenditure</b>		<b>98,083</b>	<b>93,855</b>
<b>Finance expense</b>			
Interest payable and similar charges		418	500
Borrowing costs on provisions	16	111	21
		<b>529</b>	<b>521</b>
<b>Total programme expenditure before notional charges</b>		<b>98,612</b>	<b>94,376</b>

\* Further analysis of Staff costs is located in the Staff Report within the Accountability Report.

## 5.1 Programme expenditure relating to the HIA Redress Board

The HIA Redress Board, an ALB of TEO, was established in December 2019 and became operational on 31 March 2020. Through a Memorandum of Understanding (MOU), NICTS is responsible for providing administrative support and making the necessary compensation payments to victims and survivors, as advised by the HIA Redress Board.

The running costs borne by NICTS on behalf of the HIA Redress Board are recouped from TEO each month, along with a NICTS management fee for services rendered. The compensation payments processed by NICTS are also recouped from TEO but the recoupment is netted off against the payment so the expenditure and income relating to compensation payments are excluded from the NICTS SoCNE. In 2023-24 compensation payments of £20,083k were processed (2022-23: £26,445k).

The running costs relating to the HIA Redress Board are included in Programme Expenditure (Note 5) are:

	<b>2023-24</b>	<b>2022-23</b>
	<b>£000</b>	<b>£000</b>
<b>Staff costs</b>		
Wages and salaries	1,093	1,190
Social security costs	93	101
Other pension costs	247	275
	<b>1,433</b>	<b>1,566</b>
<b>Purchase of goods and services</b>		
Office services	3	2
Consumables and equipment costs	-	1
Contracted out and managed services	125	94
Professional and consultancy services	717	942
Staff related costs	2	6
Commission and tribunal costs	279	395
Judicial costs	885	1,278
	<b>2,011</b>	<b>2,718</b>
Notional charges*	-	-
Interest payable and similar charges	-	-
	-	-
<b>Total programme costs</b>	<b>3,444</b>	<b>4,284</b>
<b>Programme expenditure recouped from TEO</b>		
Income – rendering of services	<b>(3,444)</b>	<b>(4,284)</b>
<b>Balance not recouped from TEO**</b>	<b>-</b>	<b>-</b>

\* In 2023-24 the HIA Redress Board incurred £24k of the notional charges charged to NICTS by DoF for NICS shared services (2022-23: £25k). These notional charges have been transferred to TEO as the sponsoring department of the HIA Redress Board.



## 6. Income

### 6.1 Revenue from contracts with customers

	2023-24 £000	2022-23 £000
Court fees, levies and charges	27,506	26,658
Rendering of services	6,809	8,863
Other revenue from contracts	1,762	1,674
	<b>36,077</b>	<b>37,195</b>

Disaggregation of Revenue from contracts with customers per operating segment is as follows:

	Court Operations	Tribunals and Enforcement	Lady Chief Justice's Office	Vision 2030	Corporate Services	2023-24 Total
	£000	£000	£000	£000	£000	£000
Fees, levies and charges	18,320	8,612	-	-	574	27,506
Rendering of services	3,754	2,903	-	-	152	6,809
Other revenue from contracts	-	1,739	-	23	-	1,762
<b>Revenue from contracts with customers</b>	<b>22,074</b>	<b>13,254</b>	<b>-</b>	<b>23</b>	<b>726</b>	<b>36,077</b>

	Court Operations	Tribunals and Enforcement	Lady Chief Justice's Office	Vision 2030	Corporate Services	2022-23 Total
	£000	£000	£000	£000	£000	£000
Fees, levies and charges	17,908	8,171	-	-	579	26,658
Rendering of services	4,579	4,139	-	-	145	8,863
Other revenue from contracts	-	1,653	-	21	-	1,674
<b>Revenue from contracts with customers</b>	<b>22,487</b>	<b>13,963</b>	<b>-</b>	<b>21</b>	<b>724</b>	<b>37,195</b>

## 6. Income (continued)

### 6.2 Other operating income

	2023-24 £000	2022-23 £000
Rental income	526	574
Other non-trading income	149	126
	<b>675</b>	<b>700</b>

## 7. Summary of fine income payable to Consolidated Fund

The income shown in Note 6 does not include any amounts collected by NICTS where it was acting as an agent for the NICF, rather than as principal. These amounts will be disclosed in the NICTS Trust Statement which is published separately from these financial statements. Due to the timing of the laying of the Trust Statement for 2023-24, NICTS has continued to disclose these details for the current year.

NICTS accepts payment for amounts imposed in the Magistrates' and Crown courts for onward transmission to NICF via DoJ. Amounts imposed in court can be cleared either by payment or by means other than payment, including committal to prison.

NICTS also receives payment for penalties that are imposed externally to the courts including fixed penalties imposed for motoring offences. These penalties are accounted for as NICF income from date of imposition.

On collection of fines the receipts are held on trust and accounted for as amounts due to NICF until paid over.

The net revenue payable to the Consolidated Fund consists of the following elements:

### *Trust Statement Net Revenue*

	2023-24 £000	2022-23 restated* £000
<b>Revenue</b>		
Fixed Penalty Notices	2,600	2,832
Court Imposed Fines	5,374	5,487
Offender Levy	461	487
Extra Costs	-	4
Confiscation Orders	1,950	1,415
Other Party Criminal	1,281	1,628
	<b>11,666</b>	<b>11,853</b>
<b>Expenditure</b>		
Credit (losses) / gains	(1,424)	144
Revenue retained by NICTS under Statute	(2,972)	(2,702)
<b>Disbursements</b>		
Amounts paid to Other Parties	(1,968)	(2,598)
Amounts paid to Safety Camera Scheme	(1,152)	(1,479)
	<b>(7,516)</b>	<b>(6,635)</b>
<b>Net Revenue for the Consolidated Fund</b>	<b>4,150</b>	<b>5,218</b>

## 7. Summary of fine income payable to Consolidated Fund (continued)

The amounts that have been received and are due to be paid over to the Consolidated Fund consist of the following elements:

### *Trust Statement Balance Held on Trust*

	<b>2023-24</b>	<b>2022-23</b>
	<b>£000</b>	<b>£000</b>
Balance Held on Trust at 1 April	555	51
Fines cleared by receipt of payment	8,488	8,280
Payments to Consolidated Fund	(4,014)	(3,597)
Payments to Others	(4,124)	(4,179)
<b>Balance Held on Trust at 31 March</b>	<b>905</b>	<b>555</b>

The receivables balance at the year end was £9.7m (2022-23: £10.5m). This includes those receivables which are not payable to the Consolidated Fund, for example compensation.

### *Trust Statement Balance Receivable*

	<b>2023-24</b>	<b>2022-23</b>
	<b>£000</b>	<b>restated*</b>
	<b>£000</b>	<b>£000</b>
Balance receivable at 1 April	10,534	9,169
Amounts imposed	11,666	11,853
Fines cleared by receipt of payment	(11,072)	(10,632)
Refund due from Consolidated Fund	-	-
Fines cleared by competent authority	(1,424)	(1,004)
Decrease/(increase) in impairment provision	-	1,148
<b>Balance receivable at 31 March</b>	<b>9,704</b>	<b>10,534</b>

\* The 2022-23 balances have been restated within this note to reflect the contents of the Trust Statement for 2022-23 and in line with the requirements of Chapter 8.2 of FReM, Consolidated Fund Revenue. We note that within the DoJ consolidated accounts comparative figures have not been restated as these are included in the Statements of Assembly Supply in the DoJ consolidated accounts and, for the purposes of Assembly Control, these figures are indelible.

## 8. Property, plant and equipment

	Land	Buildings	Plant and Machinery	Information Technology	2023-24 Total
	£000	£000	£000	£000	£000
<b>Cost or valuation</b>					
At 1 April 2023	36,220	212,935	5,973	6,132	<b>261,260</b>
Additions	-	654	479	609	<b>1,742</b>
Disposals	-	(16)	(49)	-	<b>(65)</b>
Transfers and reclassifications	-	112	(113)	-	<b>(1)</b>
Revaluation, indexation and impairment released to SoCNE	31	(17)	-	(5)	<b>9</b>
Revaluation, indexation and impairment released to Revaluation Reserve	9,249	(22,666)	(26)	(27)	<b>(13,470)</b>
<b>At 31 March 2024</b>	<b>45,500</b>	<b>191,002</b>	<b>6,264</b>	<b>6,709</b>	<b>249,475</b>
<b>Depreciation</b>					
At 1 April 2023	-	34,109	3,350	3,615	<b>41,074</b>
Charged in year	-	8,095	156	963	<b>9,214</b>
Disposals	-	(14)	(49)	-	<b>(63)</b>
Transfers and reclassifications	-	3	(3)	-	<b>-</b>
Revaluation, indexation and impairment released to SoCNE	-	(5)	-	-	<b>(5)</b>
Revaluation, indexation and impairment released to Revaluation Reserve	-	(38,487)	(5)	(17)	<b>(38,509)</b>
<b>At 31 March 2024</b>	<b>-</b>	<b>3,701</b>	<b>3,449</b>	<b>4,561</b>	<b>11,711</b>
<b>Carrying amount at 31 March 2024</b>	<b>45,500</b>	<b>187,301</b>	<b>2,815</b>	<b>2,148</b>	<b>237,764</b>
<b>Carrying amount at 31 March 2023</b>	<b>36,220</b>	<b>178,826</b>	<b>2,623</b>	<b>2,517</b>	<b>220,186</b>
<b>Asset financing:</b>					
Owned	45,500	142,850	2,815	2,148	<b>193,313</b>
Leased*	-	909	-	-	<b>909</b>
On SoFP PFI contracts**	-	43,542	-	-	<b>43,542</b>
<b>Carrying amount at 31 March 2024</b>	<b>45,500</b>	<b>187,301</b>	<b>2,815</b>	<b>2,148</b>	<b>237,764</b>

\* Further details regarding the Leases are contained in Note 17.

\*\* Further details regarding the PFI contract are contained in Note 18.

There are no donated assets to report.

IAS 16 requires measurement of assets at fair value.

Land and buildings were externally valued by LPS as at 31 March 2024. The valuation was carried out by LPS in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. The next valuation by LPS will be effective from 31 March 2029. Indexation (as advised by LPS) is applied between asset valuations to update the asset register.

As per the Fair Value Hierarchy set out in IFRS 13, all assets valued as part of this exercise have been valued using Level 2 observable inputs.

## 8. Property, plant and equipment (continued)

All Buildings are valued on a depreciated replacement cost basis with the exception of one Courthouse that was valued at market value, due to its non-operational status, and is classified as held for sale (Note 12).

Antiques have been included in the Plant and Machinery classification and are professionally valued every five years. The valuation was carried out at 31 March 2024 by Ross's Auctioneers Limited.

As at 31 March 2024 Plant and Machinery (excluding Antiques) and Information Technology assets have been adjusted to their current value by reference to the appropriate indices compiled by ONS.

At 31 March 2024 the amount of revaluation surplus that relates to property, plant and equipment is £167,368k (at 31 March 2023: £147,885k).

	Land	Buildings	Plant and Machinery	Information Technology	2022-23 Total
	£000	£000	£000	£000	£000
<b>Cost or valuation</b>					
At 1 April 2022	36,220	195,093	4,619	5,070	241,002
Additions	-	1,965	1,158	905	4,028
Disposals	-	(2)	-	(1)	(3)
Revaluation, indexation and impairment released to SoCNE	-	1	-	59	60
Revaluation, indexation and impairment released to Revaluation Reserve	-	15,878	196	99	16,173
<b>At 31 March 2023</b>	<b>36,220</b>	<b>212,935</b>	<b>5,973</b>	<b>6,132</b>	<b>261,260</b>
<b>Depreciation</b>					
At 1 April 2022	-	24,476	3,170	2,777	30,423
Charged in year	-	7,289	140	763	8,192
Disposals	-	-	-	-	-
Revaluation, indexation and impairment released to SoCNE	-	-	-	34	34
Revaluation, indexation and impairment released to Revaluation Reserve	-	2,344	40	41	2,425
<b>At 31 March 2023</b>	<b>-</b>	<b>34,109</b>	<b>3,350</b>	<b>3,615</b>	<b>41,074</b>
<b>Carrying amount at 31 March 2023</b>	<b>36,220</b>	<b>178,826</b>	<b>2,623</b>	<b>2,517</b>	<b>220,186</b>
<b>Carrying amount at 31 March 2022</b>	<b>36,220</b>	<b>170,558</b>	<b>1,449</b>	<b>2,293</b>	<b>210,520</b>
<b>Asset financing:</b>					
Owned	36,220	134,533	2,623	2,517	175,893
Leased*	-	1,183	-	-	1,183
On SoFP PFI contracts**	-	43,110	-	-	43,110
<b>Carrying amount at 31 March 2023</b>	<b>36,220</b>	<b>178,826</b>	<b>2,623</b>	<b>2,517</b>	<b>220,186</b>

\* Further details regarding the Leases are contained in Note 17.

\*\* Further details regarding the PFI contract are contained in Note 18.

## 9. Intangible assets

Intangible assets comprise internally and externally developed software, software licences and websites.

	Software Licences	Externally Developed Software	Assets Under Construction	2023-24 Total
	£000	£000	£000	£000
<b>Cost or valuation</b>				
At 1 April 2023	517	14,932	3,119	<b>18,568</b>
Additions	50	1,238	1,428	<b>2,716</b>
Transfers and reclassifications	-	2,955	(2,954)	<b>1</b>
Revaluation, indexation and impairment released to SoCNE	-	6	-	<b>6</b>
Revaluation, indexation and impairment released to Revaluation Reserve	17	386	-	<b>403</b>
<b>At 31 March 2024</b>	<b>584</b>	<b>19,517</b>	<b>1,593</b>	<b>21,694</b>
<b>Amortisation</b>				
At 1 April 2023	221	12,663	-	<b>12,884</b>
Charged in year	128	1,291	-	<b>1,419</b>
Transfers and reclassifications	-	-	-	<b>-</b>
Revaluation, indexation and impairment released to SoCNE	-	2	-	<b>2</b>
Revaluation, indexation and impairment released to Revaluation Reserve	7	137	-	<b>144</b>
<b>At 31 March 2024</b>	<b>356</b>	<b>14,093</b>	<b>-</b>	<b>14,449</b>
<b>Carrying amount at 31 March 2024</b>	<b>228</b>	<b>5,424</b>	<b>1,593</b>	<b>7,245</b>
<b>Carrying amount at 31 March 2023</b>	<b>296</b>	<b>2,269</b>	<b>3,119</b>	<b>5,684</b>
<b>Asset financing:</b>				
Owned	228	5,424	1,593	<b>7,245</b>
<b>Carrying amount at 31 March 2024</b>	<b>228</b>	<b>5,424</b>	<b>1,593</b>	<b>7,245</b>

Intangible assets are adjusted to their current value each year by reference to appropriate indices supplied by ONS.

At 31 March 2024, the amount of revaluation surplus that relates to intangible assets is £467k (at 31 March 2023: £344k).

## 9. Intangible assets (continued)

	Software Licences	Externally Developed Software	Assets Under Construction	2022-23 Total
	£000	£000	£000	£000
<b>Cost or valuation</b>				
At 1 April 2022	201	13,850	1,620	15,671
Additions	2	627	1,810	2,439
Disposals	268	46	(311)	3
Transfers and reclassifications	-	(6)	-	(6)
Revaluation, indexation and impairment released to Revaluation Reserve	46	415	-	461
<b>At 31 March 2023</b>	<b>517</b>	<b>14,932</b>	<b>3,119</b>	<b>18,568</b>
<b>Amortisation</b>				
At 1 April 2022	132	11,924	-	12,056
Charged in year	78	546	-	624
Disposals	-	-	-	-
Transfers and reclassifications	-	(1)	-	(1)
Revaluation, indexation and impairment released to Revaluation Reserve	11	194	-	205
<b>At 31 March 2023</b>	<b>221</b>	<b>12,663</b>	<b>-</b>	<b>12,884</b>
<b>Carrying amount at 31 March 2023</b>	<b>296</b>	<b>2,269</b>	<b>3,119</b>	<b>5,684</b>
<b>Carrying amount at 31 March 2022</b>	<b>69</b>	<b>1,926</b>	<b>1,620</b>	<b>3,615</b>
<b>Asset financing:</b>				
Owned	296	2,269	3,119	5,684
<b>Carrying amount at 31 March 2023</b>	<b>296</b>	<b>2,269</b>	<b>3,119</b>	<b>5,684</b>

## 10. Impairment

	2023-24 £000	2022-23 £000
<b>(Credited)/charged directly to the SoCNE</b>		
Property, plant and equipment	(14)	(26)
Intangible assets	(4)	5
	<b>(18)</b>	<b>(21)</b>
<b>Taken through the revaluation reserve</b>		
Property, plant and equipment	(25,039)	(13,748)
Intangible assets	(259)	(256)
	<b>(25,298)</b>	<b>(14,004)</b>
<b>Total revaluation (gain)/loss for the year</b>	<b>(25,316)</b>	<b>(14,025)</b>



## 11. Financial instruments

### 11.1 Disclosures

IFRS 9: *Financial Instruments*, IAS 32: *Financial Instruments: Presentation*, and IFRS 7: *Financial Instruments: Disclosures*, requires disclosure that enables evaluation of the significance of financial instruments for NICTS financial position and performance, the nature and extent of risks arising from financial instruments to which NICTS is exposed during the period and at the reporting date, and how NICTS manages those risks.

Due to the non-trading nature of its activities and the way in which it is financed, NICTS is not exposed to the degree of financial risk faced by business entities.

NICTS has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change risks facing NICTS in undertaking its activities.

#### *Classification of financial instruments*

All NICTS financial instruments are measured at amortised cost. NICTS financial assets are classified as receivables and comprise trade and other receivables (Note 14) and cash and cash equivalents (Note 13). NICTS financial liabilities comprise payables excluding tax assets, accruals and deferred income (Note 15). The carrying value of these financial assets and liabilities, as disclosed in the notes to the accounts, approximates to fair value because of their short maturities. NICTS recognises the components of net gain/loss through the SoCNE. Interest on financial instruments is recognised as a finance expense under Programme Costs in Note 5.

#### *Risk Management*

Financial risks include credit risk, liquidity risk and market risks (interest rate and currency).

##### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. NICTS is exposed to credit risk in relation to the carrying amounts of the trade receivables carried in the SoFP. The size of the risk is reflected in the receivables impairment (Note 14.1).

##### *Liquidity risk*

Liquidity risk is the risk that an entity will have difficulties in paying its financial liabilities. NICTS net revenue resource requirements are financed by resources voted annually by the Northern Ireland Assembly, as is capital expenditure. NICTS is therefore not exposed to significant liquidity risks.

##### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. NICTS' financial assets and liabilities carry nil or fixed rates of interest. NICTS is therefore not exposed to any interest rate risk.

### Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. NICTS does not have the authority to manage currency risk through hedging.

### Embedded derivatives

In accordance with IFRS 9 *Financial Instruments*, NICTS has reviewed contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. In relation to the Laganside PFI contract for NICTS, there is a payment mechanism that determines the charge that NICTS will pay from 2009 to 2026 which is based on the UK Retail Price Index (RPI) and UK Gross Domestic Product Index (GDP). The embedded derivative is deemed to be closely related to the host contract as the amounts charged are in relation to the economic environment in which NICTS operates.

### 11.2 Financial guarantees, indemnities and letters of comfort

NICTS has not entered into any unquantifiable guarantees, indemnities or provided letters of comfort. There are no contingent liabilities within the meaning of IFRS 9 since the likelihood of a transfer of economic benefit in settlement is too remote.

NICTS has not entered into any quantifiable guarantees, indemnities or provided letters of comfort that fall to be measured under IFRS 9.

### 12. Assets classified as held for sale

	<b>2023-24</b>	<b>2022-23</b>
	<b>£000</b>	<b>£000</b>
<b>Land and building</b>		
Balance at 1 April	60	60
Transfers	-	-
<b>Balance at 31 March</b>	<b>60</b>	<b>60</b>

In October 2022 the Northern Ireland Housing Executive (NIHE) declared an interest in Larne Courthouse after it had been included in the Central Advisory Unit interest circular which covers the public and third party sectors. NIHE are continuing to work through the process of obtaining planning permission to redevelop the site for potentially Social Housing. The current programme anticipates a planning application during Summer 2024, after which the acquisition can then proceed.

### 13. Cash and cash equivalents

	2023-24 £000	2022-23 £000
<b>Balance at 1 April</b>	1,672	1,895
Net change in cash and cash equivalent balances	(199)	(223)
<b>Balance at 31 March</b>	<b>1,473</b>	<b>1,672</b>

The following balances at 31 March are held at:

NI Banking Pool	1,472	1,671
Commercial banks and cash in hand	1	1
<b>Balance at 31 March</b>	<b>1,473</b>	<b>1,672</b>

Balances for cash and cash equivalents are disclosed in the SoFP as follows:

	Note	2023-24 £000	2022-23 £000
Current assets		2,838	2,419
Current liabilities	15	(1,365)	(747)
<b>Total</b>		<b>1,473</b>	<b>1,672</b>

#### 13.1 Reconciliation of liabilities arising from financing activities

	2022-23 £000	Cash flows £000	Non-cash changes: Acquisition £000	2023-24 £000
Lease liabilities	1,067	(249)	-	818
PFI liabilities	7,316	(1,846)	-	5,470
<b>Total liabilities from financing activities</b>	<b>8,383</b>	<b>(2,095)</b>	<b>-</b>	<b>6,288</b>

	2021-22 £000	Cash flows £000	Non-cash changes: Acquisition £000	2022-23 £000
Lease liabilities	-	(54)	1,121	1,067
PFI liabilities	9,072	(1,756)	-	7,316
<b>Total liabilities from financing activities</b>	<b>9,072</b>	<b>(1,810)</b>	<b>1,121</b>	<b>8,383</b>

## 14. Trade receivables, financial and other assets

	Note	2023-24 £000	2022-23 £000
<b>Amounts falling due within one year:</b>			
VAT recoverable		797	1,060
Other receivables		778	2,211
Prepayments		1,146	1,043
Accrued income		2,288	2,310
Contract assets	14.2	977	941
<b>Total</b>		<b>5,986</b>	<b>7,565</b>

There are no receivable amounts falling due after more than one year.

### 14.1 Impairment

Other receivables are stated net of the following impairment:

	2023-24 £000	2022-23 £000
Balance at 1 April	72	103
Increase in impairment during the year	34	32
Impaired debts recovered during the year	(24)	(39)
Impaired debts written off during the year	(16)	(24)
<b>Impairment at 31 March</b>	<b>66</b>	<b>72</b>

As this impairment is a provision, and therefore a non-cash movement, it has been excluded from the movement in other receivables for inclusion within the Statement of Cash Flows.

### 14.2 Contract assets

Contract assets primarily relate to Taxing Master revenue for which NICTS has met or partially met its performance obligations in relation to the service but the revenue is yet to be collected. This is based on the average fees received over the previous 12 month period.

The movement in the contract assets during the reporting period is as follows:

	2023-24 £000	2022-23 £000
Balance at 1 April	941	784
Movement in year	36	157
<b>Balance at 31 March</b>	<b>977</b>	<b>941</b>

## 15. Trade payables, financial and other liabilities

		2023-24	2022-23 restated
	Note	£000	£000
<b>Amounts falling due within one year:</b>			
Bank overdraft	13	1,365	747
Trade payables		374	492
Other payables		3,802	4,060
Accruals		14,434	11,860
Contract liabilities	15.1	5,309	5,263
Current part of finance leases		235	247
Current part of capital and interest lease elements of PFI contracts		1,936	1,846
CFERs to be paid to Consolidated Fund		-	9
		<b>27,455</b>	<b>24,524</b>
<b>Amounts falling due after more than one year:</b>			
Contract liabilities		359	277
Leases		583	820
Capital and interest lease elements of PFI contracts		3,534	5,470
		<b>4,476</b>	<b>6,567</b>
<b>Total</b>		<b>31,931</b>	<b>31,091</b>

Within Accruals are capital amounts of £1,367k (2022-23: £2,212k).

### 15.1 Contract liabilities

Contract liabilities primarily relate to Courts, EJO and PACWAC fees paid in advance, for which NICTS is yet to meet its performance obligations in relation to the service. Due to the volume of contracts with customers that exist, contract liabilities are calculated based on estimates of time taken to dispose of cases and the average duration of enforcement activities.

The movement in the contract liabilities during the reporting period is as follows:

#### Amounts falling due within one year:

	2023-24	2022-23 restated
	£000	£000
Balance at 1 April	5,263	5,073
Movement in year	46	190
<b>Balance at 31 March</b>	<b>5,309</b>	<b>5,263</b>

#### Amounts falling due after more than one year:

	2023-24	2022-23 restated
	£000	£000
Balance at 1 April	277	231
Movement in year	82	46
<b>Balance at 31 March</b>	<b>359</b>	<b>277</b>

## 16. Provisions for liabilities and charges

	Judicial Service Awards £000	Judicial Litigation £000	Auto- enrolment £000	Legal Claims £000	Others £000	2023-24 Total £000
Balance at 1 April 2023	3,641	600	323	541	296	5,401
Provided in the year	28	400	70	301	-	799
Provisions not required written back	-	-	-	(10)	(126)	(136)
Provisions utilised in the year	(27)	-	-	(210)	-	(237)
Provisions settled from NICF	(140)	-	-	-	-	(140)
Borrowing costs	111	-	-	-	-	111
Actuarial (gain)/loss	25	-	-	-	-	25
<b>Balance at 31 March 2024</b>	<b>3,638</b>	<b>1,000</b>	<b>393</b>	<b>622</b>	<b>170</b>	<b>5,823</b>

	Judicial Service Awards £000	Judicial Litigation £000	Auto- enrolment £000	Legal Claims £000	Other £000	2022-23 Total £000
Balance at 1 April 2022	4,446	700	357	875	-	6,378
Provided in the year	-	-	-	363	296	659
Provisions not required written back	(90)	(100)	(34)	(487)	-	(711)
Provisions utilised in the year	(257)	-	-	(210)	-	(467)
Provisions settled from NICF	(244)	-	-	-	-	(244)
Borrowing costs	21	-	-	-	-	21
Actuarial (gain)/loss	(235)	-	-	-	-	(235)
<b>Balance at 31 March 2023</b>	<b>3,641</b>	<b>600</b>	<b>323</b>	<b>541</b>	<b>296</b>	<b>5,401</b>

## 16.1 Analysis of expected timing of discounted flows

	Judicial Service Awards £000	Judicial Litigation £000	Auto- enrolment £000	Legal Claims £000	Other £000	2023-24 Total £000
Due within one year	635	200	393	622	-	1,850
Due later than one year and not later than five years	2,538	700	-	-	170	3,408
Due later than five years	465	100	-	-	-	565
<b>Balance at 31 March 2024</b>	<b>3,638</b>	<b>1,000</b>	<b>393</b>	<b>622</b>	<b>170</b>	<b>5,823</b>

	Judicial Service Awards £000	Judicial Litigation £000	Auto- enrolment £000	Legal Claims £000	Other £000	2022-23 Total £000
Due within one year	601	100	-	541	76	1,318
Due later than one year and not later than five years	2,400	400	323	-	220	3,343
Due later than five years	640	100	-	-	-	740
<b>Balance at 31 March 2023</b>	<b>3,641</b>	<b>600</b>	<b>323</b>	<b>541</b>	<b>296</b>	<b>5,401</b>

## 16.2 Litigation claims - £5,653k (2022-23: £5,105k)

### (i) *Judicial Service Awards (JSA) - £3,638k (2022-23: £3,641k)*

Provision has been made for a JSA entitlement for salaried and eligible fee paid judicial office holders who are members of a JPS. The JSA was created to equalise the tax position of judicial pensions affected by the provisions of the Finance Act 2004. Following a ruling by the UK Supreme Court on 6 February 2013 that a retired fee paid judicial office holder is entitled to a pension on terms equivalent to those of a salaried judicial office holder, the Fee Paid Judicial Pensions Scheme (FPJPS) was introduced on 1 April 2017.

The provision has been estimated by GAD and takes into account the number of reckonable years served and an estimate of the projected final salaries of existing members. The result has then been discounted to present value using the rates set by HM Treasury. The net service award that members receive is the same as the tax paid on the lump sum and is itself a benefit that is subject to income tax and national insurance. The liability for the service award is grossed-up for the income tax (at an assumed marginal rate) and additional employer's national insurance is then payable by NICTS on the service awards.

JSA benefits ceased to accrue on 1 April 2022 as a result of the introduction of the Reformed Judicial Pension Scheme (JPS 2022). JSAs accrued before that date remain the liabilities of the relevant departments and where members continue in active service remain linked to salaries or fee-rates at retirement. The 2023-24 provision has remained similar to the closing 2022-23 provision as benefits ceased to accrue from 1 April 2022 and any benefits paid were broadly offset by the interest cost and the actuarial loss calculations. The provision includes estimated amounts due to Judiciary funded by both NICTS and the Consolidated Fund.

JSAs accrued under JPS 2022 continue to be funded by the scheme itself rather than sponsoring departments.

### (ii) *Judicial Litigation (McCloud) - £1,000k (2022-23: £600k)*

In January 2017, an Employment Tribunal in England and Wales ruled that a group of judges had been subject to age discrimination when they were transferred to the new career average Judicial Pension Schemes (JPS 2015 and NIJPS) in April 2015. MoJ subsequently appealed this ruling, but this was rejected, with the Court of Appeal 2018 upholding the ruling that the protections afforded to a Judge up to 14 years from normal pension age were unlawful. A written ministerial statement made by the Chief Secretary to the Treasury on 15 July 2019 set out the government's intention to remedy this discrimination across all public sector pension schemes. Consultation documents issued by HM Treasury, MoJ and DoJ proposed that changes should apply to all members who were in service on 31 March 2012 and 31 March 2015.

In particular, they proposed that the McCloud remedy will be achieved through an options exercise, which offers members who were in service on 31 March 2012 and 31 March 2015 a choice whether to have retrospectively accrued benefits in either the relevant pre-2015 scheme or JPS from 1 April 2015 until 31 March 2022. The options exercise commenced October 2023 and is currently ongoing.

GAD estimate the provision in respect of additional JSAs that might be payable to members who were in service on 31 March 2012 and 31 March 2015 as a result of the McCloud ruling to be £1,000k as at 31 March 2024 (2022-23 £600k). The increase of £400k as at 31 March 2024 is almost entirely driven by the use of revised data used to estimate the Mc Cloud eligible salary



payroll as part of the Options Remedy workstream.

**(iii) Auto-Enrolment - £393k (2022-23: £323k)**

A District Judge brought a claim to the UK Employment Tribunal in relation to mistreatment, having acted as a 'whistle blower.' The significant point was whether, as a judicial office holder, she was a 'worker' under the *Employment Rights Act, 1996*. It would then follow that judicial office holders were entitled to a workplace pension under the Pensions Act 2008.

NICTS has a number of both legal and non-legal devolved officers who may be impacted by this case. MoJ has accepted that eligible Tribunal Members are entitled to a workplace pension under auto-enrolment. DoJ are developing a plan and timetable to manage the assessment and enrolment of eligible officers and have recognised a provision to meet the estimated potential backdated costs. The provision has been calculated on the basis of backdated employee and employer contributions payable and NICTS has assumed a 100% opt-in for the purposes of calculating an estimated provision.

**(iv) Legal claims - £622k (2022-23: £541k)**

This represents public liability, employer liability, contract and compensation claims as advised by the business areas within NICTS. It also includes judicial reviews.

Public liability claims include personal injury claims. Employer liability claims include legal costs that will have to be borne by NICTS and relate to accidents or injury caused due to faults in the fabric of a NICTS building and other damages including fair employment and industrial tribunal cases.

These are legal claims against NICTS by third parties, prisoners and staff. The estimations are based on any potential damages or compensation that may be due. No reimbursement will be received in respect of any of these claims. The timing of the settlement of claims depends on the circumstances of each case.

Legal claims which may succeed but are less likely to do so, or cannot be estimated reliably, are disclosed as contingent liabilities in Note 20.

**Other legal issues**

The Court of Appeal (CoA) judgment from 17 June 2019 (*PSNI v Agnew*) determined that claims for Holiday Pay shortfall can extend as far back as 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The hearing was held in December 2022 and the judgment was delivered on 4 October 2023. The 2023-24 Holiday Pay provision has been estimated by HR and covers the period from November 1998 to 31 March 2020. There are still some significant elements of uncertainty around this estimate for a number of reasons:

- Outstanding legal advice now required following the Supreme Court judgment;
- lack of accessible data for years previous to 2011; and
- ongoing negotiations with Trade Unions and their legal representatives.

### 16.3 Other Provisions - £170k (2022-23: £296k)

#### (i) Probate fee - £Nil (2022-23: £126k)

Following the discovery of an issue in relation to the statutory authority to charge a fee for a certified or sealed copy of a probate grant, whereby a number of Probate customers have been inadvertently mischarged, NICTS launched a public refund scheme in June 2023 which would be available for 12 months.

A provision of £126k was recognised in the accounts in 2022-23. The scheme closed in May 2024 and, due to the low level of applications received from the public during the year, a provision is no longer required.

#### (ii) PACWAC lease dilapidation - £170k (2022-23: £170k)

The £170k restoration costs included in the building lease contract for PACWAC's office accommodation (leased from November 2022) requires this provision.

## 17. Leases

IFRS 16 Leases has been implemented from 1 April 2022 which introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases. Further details are disclosed in Note 1.12 and Note 8.

### 17.1 Quantitative disclosures around right-of-use assets

Non-current assets, as recorded in the SoFP, include the following amounts for leased right-of-use assets:

	Buildings £000	Total £000
<b>Right-of-use assets</b>		
At 1 April 2023	1,183	1,183
Additions	-	-
Depreciation expense	(274)	(274)
<b>At 31 March 2024</b>	<b>909</b>	<b>909</b>

### 17.2 Quantitative disclosures around right-of-use liabilities

	2023-24 £000	2022-23 £000
<b>Buildings</b>		
Not later than one year	242	255
Later than one year and not later than five years	589	833
Later than five years	-	-
	831	1,088
Less interest element	(13)	(21)
<b>Present value of obligations</b>	<b>818</b>	<b>1,067</b>
Current portion	235	247
Non-current portion	583	820
	<b>818</b>	<b>1,067</b>

### 17.3 Quantitative disclosures around elements in the SoCNE

	2023-24 £000	2022-23 £000
Expense related to short-term leases	-	26

### 17.4 Quantitative disclosures around cash outflows for leases

	2023-24 £000	2022-23 £000
Total cash outflow for leases	249	53

## 18. Commitments under PFI contracts

### 18.1 On-Balance Sheet (SoFP)

The following PFI transactions have been accounted for in accordance with IFRIC 12 *Service Concession Arrangements* as being 'on-balance sheet'.

#### *Laganside Complex*

In February 1999, NICTS entered into a PFI agreement with a private sector provider for the provision and maintenance of a high quality court complex in Belfast. In accordance with the agreement, service charges became payable with effect from February 2002 to December 2026 and these are charged to the SoCNE. The court complex has been accounted for as an asset and included in the Accounts as Property, plant and equipment.

The liabilities to pay for the assets are in substance finance lease obligations and therefore contractual payments comprise two elements - imputed finance lease charges and service charges.

The total amount charged in the SoCNE in respect of the service element of 'on-balance sheet' (SoFP) transactions was £2,986k (2022-23: £3,353k). Total future obligations under 'on-balance sheet' arrangements are given in the table below for each of the following periods:

	2023-24 £000	2022-23 £000
<b>Minimum lease payments:</b>		
Due within one year	2,182	2,182
Due later than one year and not later than five years	3,755	5,937
Due later than five years	-	-
<b>Total</b>	<b>5,937</b>	<b>8,119</b>
Less interest element	(467)	(803)
<b>Present value of obligations</b>	<b>5,470</b>	<b>7,316</b>
<b>Service elements due in future periods:</b>		
Due within one year	1,809	1,723
Due later than one year and not later than five years	3,176	5,161
Due later than five years	-	-
<b>Total service elements due in future periods</b>	<b>4,985</b>	<b>6,884</b>
<b>Total commitments under PFI contracts</b>	<b>10,455</b>	<b>14,200</b>

As stated in Note 1.13 the above liability is reflective of changes in cashflow associated with price indexation since commencement of the contract. The new requirements under IFRS 16 for reporting period 2023-24 do not require an estimation of future indexation linked increases.

## 19. Capital and other commitments

### 19.1 Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	<b>2023-24</b> <b>£000</b>	<b>2022-23</b> <b>£000</b>
Property, plant and equipment	-	461
Intangible assets	94	697
<b>Total</b>	<b>94</b>	<b>1,158</b>

### 19.2 Other financial commitments

NICTS has not entered into any non-cancellable contracts (which are not leases or PFI contracts) at 31 March 2024 (2022-23: £Nil).

## 20. Contingent liabilities

NICTS has the following contingent liabilities where the possibility of the liability crystallising is judged to be possible. Unless otherwise stated, the quantum of the liability can either not be determined with reasonable certainty or to quantify it would jeopardise the outcome of the case.

The settlement dates are unknown in all cases.

### (i) Legacy Inquests

The Northern Ireland Troubles (Legacy and Reconciliation) Act ('the Act') received Royal Assent on 18 September 2023. It states that a Coroner must not progress the conduct of such an inquest into a troubles-related death on or after 1 May 2024. At 1 May 2024: 18 legacy inquests had been completed with findings published; eight legacy inquests had been completed with findings still to be delivered; nine legacy inquests not impacted by the Act have still to be progressed; one legacy inquest is being considered as to whether or not it meets the statutory definition of a "Troubles-related" death under the terms of the Legacy Act 2023 and may still be progressed as an inquest; and twenty other legacy inquests referred by the Attorney General are currently being considered as to whether or not they are likely to be impacted by the Act.

### (ii) Fine Default Litigation

Following a decision by the Divisional Court in 2013 that ruled that the longstanding procedure for the enforcement of unpaid fines in Northern Ireland was unlawful, NICTS introduced a settlement scheme. A number of claims were refused compensation having been deemed out of time as, pursuant to section 7(5) of the Human Rights Act 1998, proceedings alleging a breach of a Convention right must be brought within one year, beginning with the date on which the act complained of took place. NICTS is currently dealing with approximately 170 High Court writs challenging NICTS' decision to refuse compensation.

NICTS planned to contest three cases, selected to raise a broad spread of issues for consideration by the court and likely to offer the greatest assistance to the resolution of other cases. The cases were listed for hearing in early June 2024, however, on advice from Senior Counsel, a decision was taken to settle the three cases.

The decision to settle these three cases has potential implications for the remaining High Court Writs and possibly for further claims that have not yet initiated litigation. NICTS is seeking further legal advice on the next steps.

### ***(iii) Litigation claims - Supplier contracts, employment, personnel and legal cases outstanding against NICTS***

There are contingent liabilities relating to ongoing legal claims upon which it is not possible to put a value.

### ***(iv) Judicial Pension***

There are a number of on-going legal claims in relation to alleged discrimination between fee-paid and salaried judges. Additionally, we are aware of litigation in England and Wales relating to the calculation of holiday pay for part time workers. We are currently unable to estimate the extent of any potential liability for these claims.

## **21. Related party transactions**

NICTS is an Executive Agency of DoJ. DoJ is regarded as a related party.

During the year NICTS had a number of material transactions with DoJ and with another entity for which DoJ is regarded as the parent Department, namely PSNI.

In addition, NICTS has had various material transactions with other Government departments and other central government bodies, namely DoF, DfC, TEO, Crown Solicitors' Office (CSO) and PPS.

For financial reporting purposes, these entities are regarded as related parties.

No Board member, key manager or other related parties have undertaken any material transactions with NICTS during the year.

## **22. Third party assets**

NICTS holds as custodian or trustee monies belonging to third parties, over and above those monies disclosed in Note 13 Cash and cash equivalents.

### **22.1 Third party monetary assets**

NICTS continues to provide a banking and investment service, through CFO, for funds that are deposited in court. The investment service is carried out by an external service provider. Examples of the types of funds include monies held for minors, certain assets of some mental health patients, and payments into court in satisfaction of a claim as well as statutory deposits and unclaimed balances in court.

CFO prepares separate annual reports and accounts that are audited by the C&AG.

There are third party bank accounts maintained by the various court offices and OSO. These are not NICTS assets and are not included in the accounts. The assets held at the reporting date to which it was practical to ascribe monetary values, comprised monetary assets such as bank balances and monies on deposit, and listed securities. Further details are set out in the following table.

	31 March 2023 £000	Gross Inflows £000	Gross Outflows £000	31 March 2024 £000
Monetary assets such as bank balances and monies on deposit	107,623	104,299	(119,168)	92,754
Listed securities	230,478	59,009	(30,169)	259,318
<b>Total</b>	<b>338,101</b>	<b>163,308</b>	<b>(149,337)</b>	<b>352,072</b>

## 22.2 Third party inventory assets

The Official Solicitor may be appointed to act as a financial controller for persons deemed by the courts to be incapable of managing their financial affairs and assets. In such capacity the Official Solicitor acts as custodian of a number of property assets. Title deeds for property may also be held by NICTS as security for bails in relation to legal actions.

EJO provides a centralised enforcement service for civil court judgments. A number of cases result in property repossessions.

Other significant assets held at the balance sheet date to which it was not practical to ascribe monetary values comprised:

	2023-24 Number	2022-23 Number
Property assets	944	832

## 23. Entities within the Agency boundary

The accounting boundary incorporates only the core Agency.

PACWAC is an Independent Tribunal Non-Departmental Public Body. In line with DAO 05/13, it is within the accounting boundary and subsequently accounted for within NICTS.

The funds invested by CFO are specifically excluded from the accounting boundary, following HM Treasury guidance. CFO publishes separate audited financial statements.

Income collected by NICTS as an agent for NICF is excluded. This income is disclosed in the NICTS Trust Statement. The NICTS Trust Statement is audited and published separately from these financial statements.

Third party monies are also excluded from these financial statements.

## 24. Criminal Injuries Compensation Appeals Panel for Northern Ireland

The administrative functions of Criminal Injuries Compensation Appeals Panel for Northern Ireland (CICAPNI) transferred from the Secretary of State for Northern Ireland (SoSNI) to the Secretary of State for Justice (SoSJ) in the 2007-08 financial year and were delivered by a Machinery of Government (MoG) letter on 1 December 2007.

The administrative functions of CICAPNI transferred from the SoSJ to DoJ following the devolution of policing and justice in Northern Ireland on 12 April 2010.

DoJ has directed a statement of account in accordance with the 2002 Order and the Scheme only requires a simple statement providing the full cost of CICAPNI for the year, given as a note in the NICTS accounts.

This direction is in accordance with The Criminal Injuries (NI) Order 2002 (“the 2002 Order”) and with the Northern Ireland Criminal Injuries Compensation Scheme 2002 (“the Scheme”) which establish CICAPNI. Both the 2002 Order and the Scheme provide that DoJ may direct the form of the accounts of CICAPNI.

This accounting note has been prepared in accordance with the accounts direction issued by DoJ.

### *CICAPNI Statement of Account*

	2023-24		2022-23	
	£	£	£	£
<b>Income</b>		-		-
<b>Expenditure</b>				
Staff payroll costs	121,410		154,589	
Judicial payroll costs	94,467		69,210	
		215,877		223,799
Other operating costs		6,074		4,029
<b>Net cost of operations</b>		<b>221,951</b>		<b>227,828</b>

## 25. Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the C&AG to the Assembly.

There were no other events between the end of the reporting period and the date the financial statements were authorised that would significantly affect these accounts.

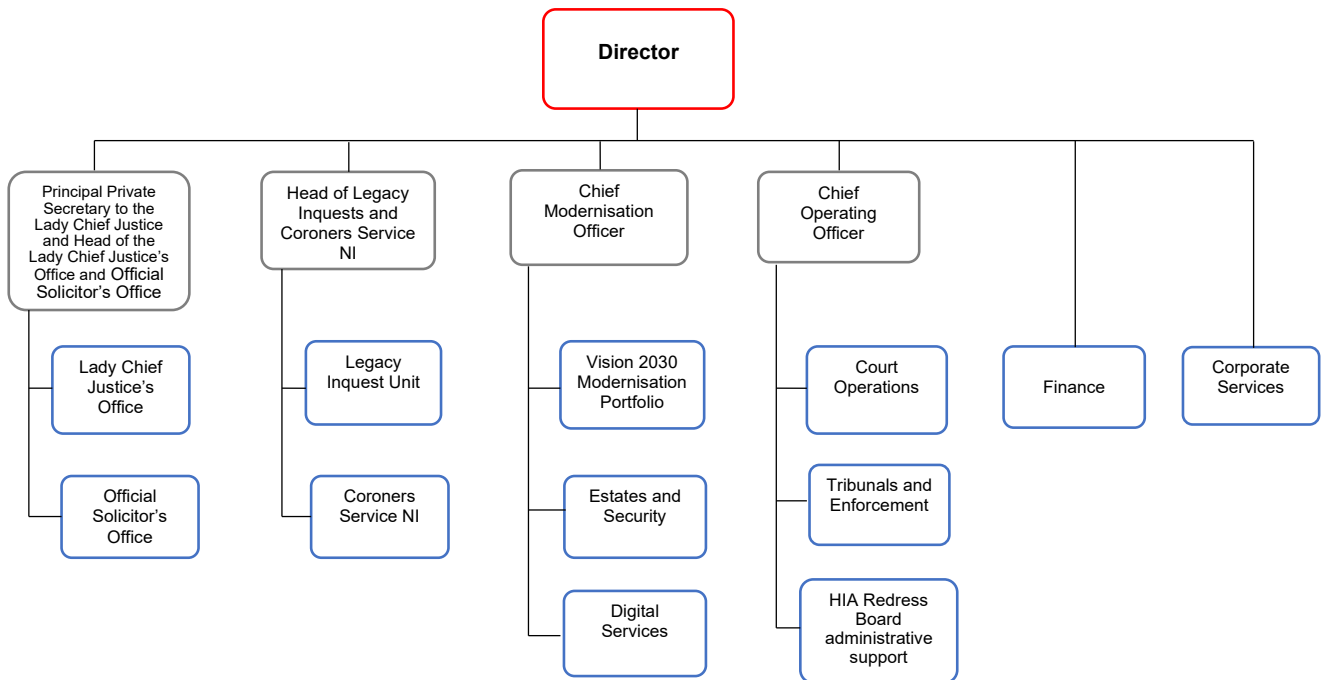
### **Date for authorisation of issue**

The Accounting Officer authorised these financial statements for issue on 02 July 2024.



**PART 4 - APPENDICES**

**Annex A - Northern Ireland Courts and Tribunals Service Organisational Chart 2023-24**



**Annex B - Court and Tribunal Performance Standards 2023-24**

As part of its 2023-24 business planning process, NICTS reviewed its published Performance Standards. Updated Performance Standards are included below.

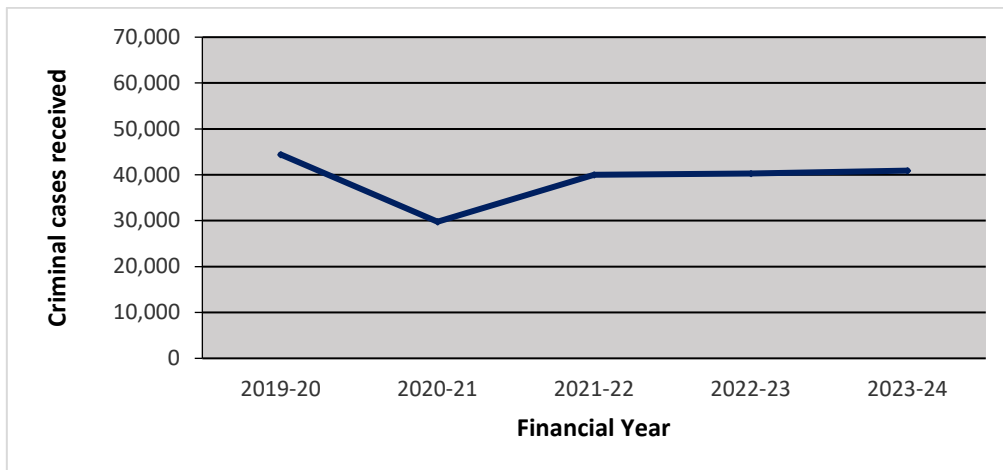
**Criminal Business**

To facilitate the efficient disposal of criminal business:<sup>1</sup>

Judicial Performance Standard	2023-24 % Target	2023-24 % Achieved
Crown Court defendants will be arraigned within six weeks of committal	80%	86%
Crown Court defendants will start their trial within 18 weeks of committal	80%	79%
Crown Court defendants will be sentenced within six weeks of a plea or finding of guilt	80%	45%
Magistrates' Courts adult defendants will have their case disposed of within nine weeks of first listing	80%	76%
Youth Court defendants will have a finding reached within 12 weeks from first listing	80%	70%

The chart below shows the levels of criminal business received over the past five years.

**Figure 1: Criminal Business Received**



## Annex B - Court and Tribunal Performance Standards 2023-24 (continued)

## Criminal Court Business – Volumes, Disposals and Performance

<b>Business Volumes received</b>	<b>2023-24</b>	<b>2022-23</b>	<b>% difference</b>
<b>Total Criminal Business</b>	<b>40,941</b>	<b>40,287</b>	<b>2%</b>
Crown Court cases	1,485	1,314	13%
Magistrates' adult defendants	38,277	37,875	1%
Magistrates' youth defendants	1,179	1,098	7%
<b>Business Volumes disposed</b>			
<b>Total Criminal Business</b>	<b>39,920</b>	<b>40,241</b>	<b>-1%</b>
Crown Court cases	1,385	1,469	-6%
Magistrates' adult defendants	37,306	37,796	-1%
Magistrates' youth defendants	1,229	976	26%
<b>Sittings</b>			
<b>Total Criminal Sittings</b>	<b>6,055</b>	<b>6,186</b>	<b>-2%</b>
Crown Court	2,662	2,753	-3%
Magistrates' adult defendants	3,130	3,176	-1%
Magistrates' youth defendants	263	257	2%

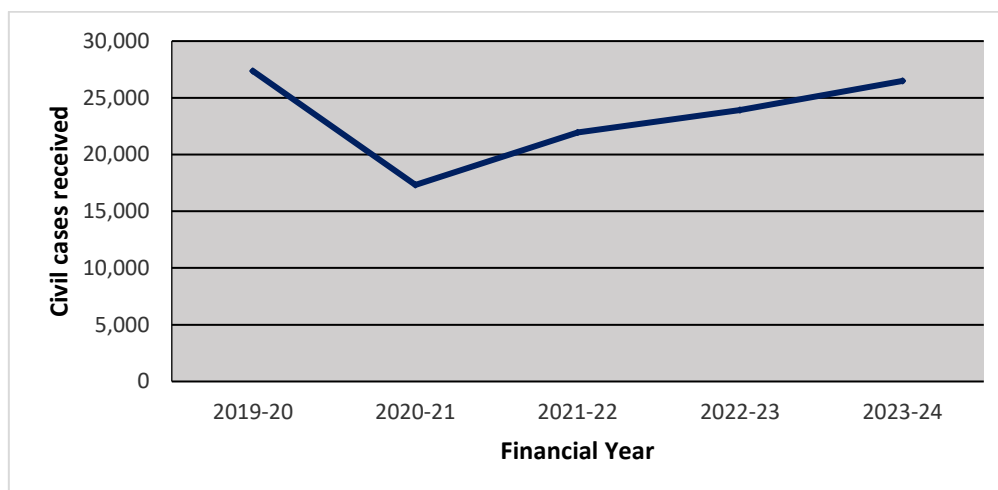
**Annex B - Court and Tribunal Performance Standards 2023-24 (continued)****Civil Business**

To facilitate the efficient disposal of civil business:

Performance Standard	2023-24 % Target	2023-24 % Achieved
Civil bills will be allocated a hearing date within 15 weeks of receipt of the certificate of readiness	95%	96%
Claims for Clinical Negligence will be listed for review before the Master within 13 months of receipt of the writ (applicable to writs lodged since 2011);	98%	99%
Claims for Personal Injury will be listed for review within three months of the applicant notifying the court they are ready to proceed to hearing.	98%	100%
Postal applications for Grant of Probate/Letters of Administration will be issued within seven working days of receipt of correct information	80%	46%
Digital applications for Grant of Probate/Letters of Administration will be issued within three working days of receipt of correct information	80%	39%
Small Claims received will be allocated a hearing date within ten weeks of a Notice of Dispute being lodged	80%	82%
Default Judgments (County Court Civil Bills) will be processed within five working days of receipt of application	80%	55%
Default Judgments (Small Claims) will be processed within five working days of receipt of application	80%	98%

The chart below shows the levels of civil business received over the past five years.

**Figure 2: Civil Business Received**



## Annex B - Court and Tribunal Performance Standards 2023-24 (continued)

## Civil Court Business – Volumes, Disposals and Performance

<b>Business Volumes received</b>	<b>2023-24</b>	<b>2022-23</b>	<b>% difference</b>
<b>Total Civil business</b>	<b>26,480</b>	<b>23,914</b>	<b>11%</b>
Civil Bills (Notice of Intentions to Defend)	8,314	6,961	19%
Small Claims	8,145	7,479	9%
Writs set down	959	745	29%
Mortgages received	1,033	609	70%
Bankruptcies received	404	274	47%
Probate grants received	7,625	7,846	-3%
<b>Business Volumes disposed</b>			
<b>Total Civil business</b>	<b>30,010</b>	<b>25,952</b>	<b>16%</b>
Ordinary Civil Bills	9,595	8,859	8%
Small Claims	8,189	6,601	24%
Writs disposed	3,699	2,653	39%
Mortgages disposed	553	361	53%
Bankruptcies disposed	434	272	60%
Probate grants issued	7,540	7,206	5%
<b>Sittings</b>			
<b>Total Civil sittings</b>	<b>2,398</b>	<b>2,619</b>	<b>-8%</b>
County Court	1,982	2,126	-7%
Queen's Bench	224	278	-19%
Chancery	192	215	-11%

Annex B - Court and Tribunal Performance Standards 2023-24 (continued)

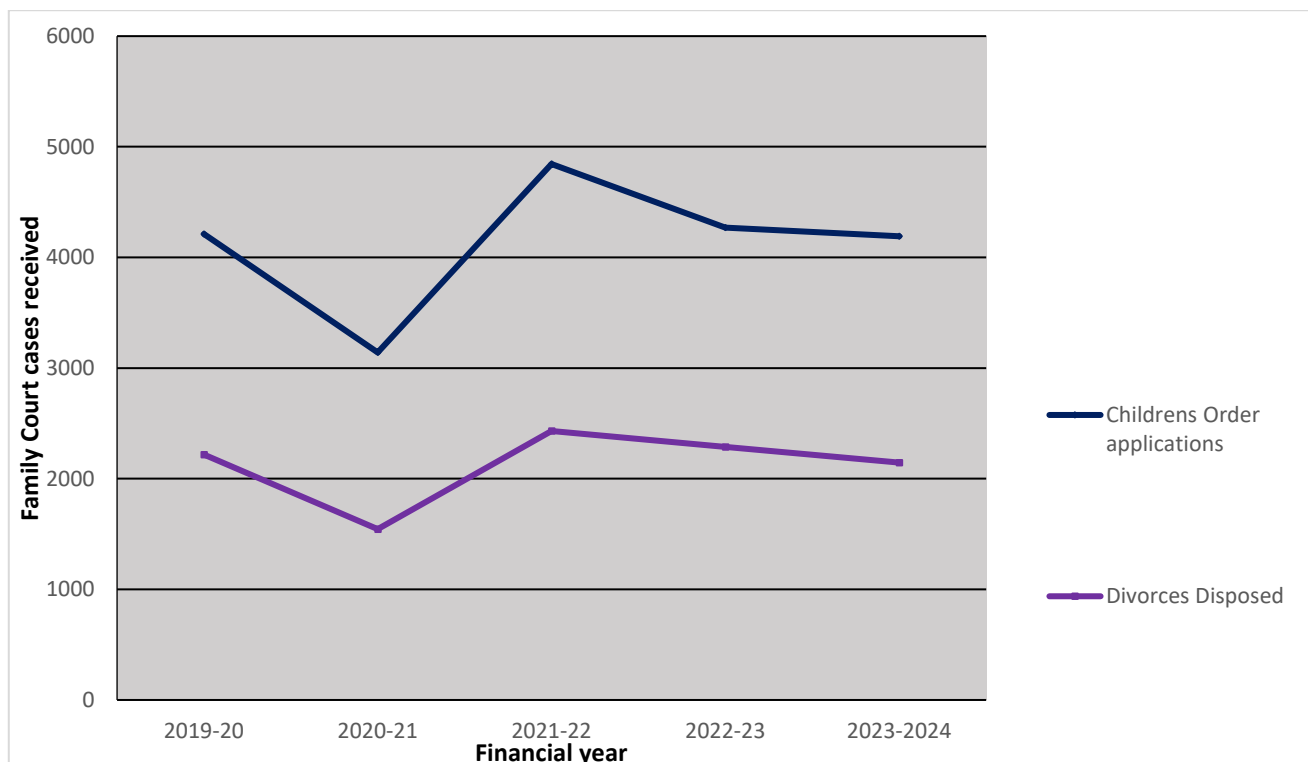
Family Court Business

To facilitate the efficient disposal of family business:

Performance Standard	2023-24 % Target	2023-24 % Achieved
Children Order applications will be listed for first directions within six weeks of receipt of correct information	90%	94%
Applications for Enduring Power of Attorney (where no objection has been lodged) will be registered within eight weeks of receipt of all required information	95%	98%
Undefended divorces and dissolution of civil partnerships will be listed for hearing within six weeks of date of receipt and, in the High Court, confirmation of readiness or transfer from the High Court to the County Court	80%	72%

The chart below shows the levels of family business disposed over the past five years.

Figure 3: Family Court Business Disposed



## Annex B - Court and Tribunal Performance Standards 2023-24 (continued)

## Family Court Business – Volumes, Disposals and Performance

<b>Business Volumes received</b>	<b>2023-24</b>	<b>2022-23</b>	<b>% difference</b>
<b>Total Family Court Business</b>	<b>6,834</b>	<b>9,786</b>	<b>-30%</b>
Children Order applications	4,612	4,237	9%
Divorces received	2,222	2,514	-12%
Enduring Power of Attorney applications received <sup>1</sup>	-	1,618	-
Controllership applications received <sup>1</sup>	-	1,417	-
<b>Business Volumes disposed</b>			
<b>Total Family Court Business</b>	<b>6,336</b>	<b>9,341</b>	<b>-32%</b>
Children Order applications	4,190	4,269	-2%
Divorces disposed	2,146	2,287	-6%
Enduring Power of Attorney registered <sup>1</sup>	-	1,368	-
Controllership orders issued <sup>1</sup>	-	1,417	-
<b>Sittings</b>			
Children Order	1,825	1,957	-7%

<sup>1</sup> A new case management system was introduced in the Office of Care and Protection during 2023-24. Data development work is ongoing and figures for Enduring Power of Attorney applications received and registered and Controllership Orders received and issued are being developed and will be included in the 2024-25 Annual Report and Accounts.



**Annex B - Court and Tribunal Performance Standards 2023-24 (continued)****Coroners Service Business**

To facilitate the efficient disposal of Coroners Service business:

<b>Performance Standard</b>	<b>2023-24 % Target</b>	<b>2023-24 % Achieved</b>
All deaths investigated that do not require a post-mortem examination will have the certificate of registration issued to the Registrar of Deaths within three working days of the relevant documentation being received by the Coroner	97%	82%
All deaths where a post-mortem examination reveals a natural cause of death will have the certificate of registration issued to the Registrar of Deaths within five working days of the Coroner making the decision to close the case following receipt of the post-mortem report	95%	52%
Inquests the administrative listing arrangements will be completed within 28 days of the Coroner's direction to list	95%	86%

**Coroners Service Business – Volumes and Performance**

<b>Business Volumes</b>	<b>2023-24</b>	<b>2022-23</b>	<b>% difference</b>
Deaths reported	5,481	4,914	12%
Post mortems with no inquest	1,500	1,046	43%
Inquests held	50	61	-18%
No post mortem and no inquest	3,728	2,634	42%
Other disposals of registered entries	374	690	-46%

**Annex B - Court and Tribunal Performance Standards 2023-24 (continued)****Court Funds Office (CFO)**

To facilitate the efficient disposal of CFO business:

<b>Performance Standard</b>	<b>2023-24 % Target</b>	<b>2023-24 % Achieved</b>
Lodgements received by direct credits will be posted within two working days of receipt in the bank account	95%	99%
Non-regular payments will be made within 5 working days of receiving the relevant information.	95%	99%
Confirmations that funds have been received by CFO will be issued within five working days of receipt of the funds in full in respect of minor cases	95%	100%

**Enforcement of Judgments Office Business (EJO)**

To facilitate the efficient disposal of EJO business:

<b>Performance Standard</b>	<b>2023-24 % Target</b>	<b>2023-24 % Achieved</b>
Cases will have an outcome within 80 working days of acceptance of the enforcement application	85%	89%
Repossessions completed within 130 working days from the case acceptance date	95%	99%

**Enforcement of Judgments Business – Volumes and Performance**

<b>Business Volumes</b>	<b>2023-24</b>	<b>2022-23</b>	<b>% difference</b>
Total money recovered by the Enforcement process	£4.67m	£4.93m	-5%
Notices of Intent to Enforce a Judgment	4,140	3,940	5%
Applications to Enforce a Judgment	2,984	2,710	10%
Applications for Repossession	461	403	14%
Repossessions	276	266	4%

**Annex B - Court and Tribunal Performance Standards 2023-24 (continued)****Taxation Office Business**

To facilitate the efficient disposal of Taxation Office business:

Performance Standard	2023-24 % Target	2023-24 % Achieved
Produce Taxation Assessments within 15 working days	95%	100%

**Taxation Office Business – Volumes and Performance**

Business Volumes	2023-24	2022-23	% difference
Taxing Applications Lodged	1,335	1,282	4%
Taxing Assessments Completed	1,228	1,190	3%

**Fine Collection Service**

To facilitate the efficient disposal of Fine Collection and Enforcement Service business:

Performance Standard	2023-24 % Target	2023-24 % Achieved
Cases will have recovered first payment within 100 working days of the official reminder correspondence issuing	80%	70%

**Tribunals**

To facilitate the efficient disposal of Tribunals business:

Performance Standard	2023-24 % Target	2023-24 % Achieved
All Tribunal hearing dates will be offered within the specified number of weeks of receipt of correct information	90%	92%
Review Tribunal appeals will be disposed of within eight weeks of receipt	80%	85%
Cases regarding Deprivation of Liberty within the provision of the Mental Capacity Act 2016 will be disposed of within 14 weeks	80%	52%
Tribunal decisions will be issued to the appellant within 5 working days of the decision being issued by the tribunal chair	90%	70%

## Annex B - Court and Tribunal Performance Standards 2023-24 (continued)

## Tribunal Business – Volumes and Performance

Business Volumes Received	2023-24	2022-23	% difference
<b>*Total Tribunal Business</b>	<b>7,229</b>	<b>8,184</b>	<b>-12%</b>
Care Tribunal	4	14	-71%
Charity Tribunal	2	2	-%
Criminal Injuries Compensation Appeals Panel	100	131	-24%
Health and Safety Tribunal	-	-	-
Lands Tribunal	293	204	44%
Mental Health Review Tribunal	231	241	-4%
Mental Health Review Tribunal – Mental Capacity Act (NI) Act 2016	1,499	2,127	-30%
Northern Ireland Traffic Penalty Tribunal	192	248	-23%
Northern Ireland Valuation Tribunal	14	38	-63%
Office of the Social Security and Child Support Commissioner	96	96	-%
Pensions Appeal Tribunal	83	116	-28%
*Rent Assessment Panel	9	10	-10%
Special Educational Needs and Disability Tribunal	647	502	29%
The Appeal Tribunals	4,059	4,455	-9%

*\*Comparative figures were provisional in the previous reporting period and have been restated based on the Judicial Statistics National Statistics publication*

## Annex B - Court and Tribunal Performance Standards 2023-24 (continued)

## Tribunal Business – Volumes and Performance

Business Volumes Disposed	2023-24	2022-23	% difference
<b>Total Tribunal Business</b>	<b>7,981</b>	<b>10,788</b>	<b>-26%</b>
Care Tribunal	3	4	-25%
Charity Tribunal	0	4	N/A
Criminal Injuries Compensation Appeals Panel	194	167	16%
Health and Safety Tribunal	0	0	-%
Lands Tribunal	173	214	-19%
Mental Health Review Tribunal	236	243	-3%
Mental Health Review Tribunal – Mental Capacity Act (NI) Act 2016	1,441	1,826	-21%
Northern Ireland Traffic Penalty Tribunal	210	206	2%
Northern Ireland Valuation Tribunal	26	42	-38%
Office of the Social Security and Child Support Commissioner	78	90	-13%
Pensions Appeal Tribunal	100	120	-17%
Rent Assessment Panel*	9	7	29%
Special Educational Needs and Disability Tribunal	582	440	32%
The Appeal Tribunals	4,929	7,425	-34%

## Appendix 1 - Acronyms

<b>Acronym</b>	<b>Details</b>
ALBs	Arm's Length Body
AME	Annually Managed Expenditure
AMR	Automatic Meter Reading
ARAC	Audit and Risk Assurance Committee
ASG	Analytical Support Group
BEMS	Buildings Energy Management Systems
C&AG	Comptroller and Auditor General
CARE	Career Average Revalued Earnings
CCM	Cost Cap Mechanism
CETV	Cash Equivalent Transfer Value
CFER's	Consolidated Fund Extra Receipts
CFO	Court Funds Office
CICAPNI	Criminal Injuries Compensation Appeals Panel for Northern Ireland
CJINI	Criminal Justice Inspection Northern Ireland
CPD	Construction and Procurement Delivery
CPI	Consumer Prices Index
CSNI	Coroners' Service for Northern Ireland
CSO	Crown Solicitors' Office
CSP	Civil Service Pensions
DAERA	Department of Agriculture, Environment and Rural Affairs
DAO	Dear Accounting Officer
DARC	Departmental Audit and Risk Committee
DEL	Departmental Expenditure Limit
DfC	Department for Communities
DfE	Department for the Economy
DoF	Department of Finance
DoH	Department of Health
DoJ	Department of Justice
DSO	Departmental Solicitor's Office
EFDNI	Employers for Disability NI
EJO	Enforcement of Judgments Office
ESAG	Estates Strategy Advisory Group
ESS	Enterprise Shared Services
FCS	Fine Collection and Enforcement Service
FIS	Fine Incentive Scheme
FPJPS	Fee Paid Judicial Pension Scheme
FReM	Financial Reporting Manual
FTC	Financial Transactions Capital
FTE	Full Time Equivalent
FYE	Full Year Equivalent
GAD	Government Actuary's Department
GDP	Gross Domestic Product
HIA	Historical Institutional Abuse
HMRC	His Majesty's Revenue and Customs
HM	His Majesty's
HRA	Human Rights Act
IAS	International Accounting Standard
ICO	Information Commissioner's Office
ICOS	Integrated Court Operations System

<b>Acronym</b>	<b>Details</b>
ICT	Information and Communications Technology
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IROC	Information Risk Owners' Council
IS	Information Security
JEMS	Enforcement of Judgments Office System
JPS	Judicial Pension Scheme
JSA	Judicial Service Awards
JUPRA	Judicial Pensions and Retirement Act
LCJO	Lady Chief Justice's Office
LCM	Legislative Consent Motion
LIU	Legacy Inquest Unit
LoB	Line of Business
LPS	Land and Property Services
MoG	Machinery of Government
MoJ	Ministry of Justice
MOU	Memorandum of Understanding
MPMNI	Managing Public Money Northern Ireland
NEMs	Non-Executive Members
NIAO	Northern Ireland Audit Office
NICF	Northern Ireland Consolidated Fund
NICS	Northern Ireland Civil Service
NICSHR	Northern Ireland Civil Service Human Resources
NICTS	Northern Ireland Courts and Tribunals Service
NIHE	Northern Ireland Housing Executive
NIJPS	Northern Ireland Judicial Pension Scheme
NISRA	Northern Ireland Statistics and Research Agency
NWM	North West Modernisation
OBC	Outline Business Case
OCP	Office of Care and Protection
ONS	Office for National Statistics
OSNI	Ordnance Survey NI
OSO	Official Solicitor's Office
PACWAC	Planning Appeals Commission and Water Appeals Commission
PCNI	Parole Commissioners for Northern Ireland
PCSPS	Principal Civil Service Pension Scheme
PFI	Public Finance Initiatives
PPE	Property, Plant and Equipment
PPP	Public Private Partnership
PPS	Public Prosecution Service
PSNI	Police Service of Northern Ireland
PSP&JO	Public Service Pensions and Judicial Offices Bill
RCJ	Royal Courts of Justice
RICS	Royal Institution of Chartered Surveyors
RoFP	Review of Financial Process
RPI	Retail Price Index
RTTCWG	Report To Those Charged With Governance
SCS	Senior Civil Servants
SIB	Strategic Investment Board
SLA	Service Level Agreement
SoCNE	Statement of Comprehensive Net Expenditure

<b>Acronym</b>	<b>Details</b>
SoFP	Statement of Financial Position
SOSJ	Secretary of State for Justice
SOSNI	Secretary of State for Northern Ireland
SRC	Strategic Resources Committee
SSRB	Senior Salaries Review Body
TAS	The Appeals Service and Rent Assessment Panel
TEO	The Executive Office
TME	Total Managed Expenditure
VAT	Value Added Tax
WMS	Written Ministerial Statement